

9-305A022

Barclays American Leasing

201 South Tryon Street

P.O. Box 31217

Charlotte, North Carolina 28231

(704) 339-5000

FAX: (704) 339-5155

11887-A
RECORDED 11887-103

NOV 1 1989 -12 35 PM

INTERSTATE COMMERCE COMMISSION

October 31, 1989

Ms. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Dear Ms. McGee:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) is one copy and one fully executed original of the following document:

- Railroad Equipment Purchase and Lease Assignment Agreement dated as of September 29, 1989, between Wickes Companies, Inc., successor in interest to Wickes Equipment Leasing, Inc. and BarclaysAmerican/-Leasing, Inc.
- The purpose of this document is to transfer from Wickes Companies, Inc. ("Wickes") to BarclaysAmerican/Leasing, Inc. ("BA/L"), all of Wickes right, title and interest in that certain Lease of Railroad Equipment dated as of May 1, 1980 between Wickes as Lessor and Illinois Central Gulf Railroad Company as Lessee together with the underlying leased locomotives as described on Exhibit A hereto.

The parties to this transaction are:

- Assignor: Wickes Companies, Inc.
successor in interest to Wickes Equipment Leasing, Inc.
1010 Second Avenue
San Diego, CA 92101
- Assignee: BarclaysAmerican/Leasing, Inc.
201 South Tryon Street
P. O. Box 31217
Charlotte, NC 28231
- Lessee: Illinois Central Gulf Railroad Equipment
Two Illinois Center
233 North Michigan Avenue
Chicago, IL 60601



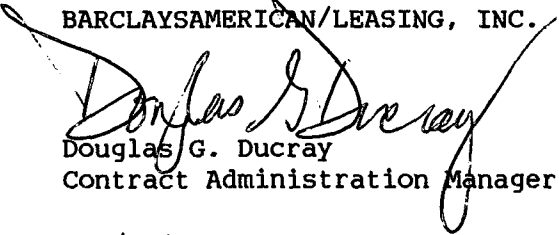
Ms. Noreta R. McGee
October 312, 1989
Page -2-

The above listed document should be filed with that certain Lease of Railroad Equipment dated as of May 1, 1980 between Illinois Central Gulf Railroad Company as Lessee and Wickes Equipment Leasing, Inc. as Lessor filed with the ICC on June 10, 1980 bearing Recordation Number 11887 and the above listed document should be assigned that same Recordation Number.

A fee of \$15.00 is enclosed. Please return the original recorded documents to General Administration Manager, BarclaysAmerican/Leasing, Inc., 201 South Tryon Street, P. O. Box 31217, Charlotte, NC 28231.

Very truly yours,

BARCLAYSAMERICAN/LEASING, INC.



Douglas G. Ducray
Contract Administration Manager

DGD/taj

Enclosure

EXHIBIT A

<u>Quantity</u>	<u>Type</u>	<u>Road Number</u>
2	GP-11 Locomotives	ICG-8739-8740
10	SW-14 Locomotives	ICG-1429-1438

Interstate Commerce Commission
Washington, D.C. 20423

11/1/89

OFFICE OF THE SECRETARY

Douglas G. Ducray
Barclays American Leasing
201 South Tryon Street
P.O. Box 31217
Charlotte, N.C. 28231

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/1/89 at 12:35pm and assigned recordation number(s). 11887-A

Sincerely yours, .



Noreta R. McGee
Secretary

Enclosure(s)

11887- A
RECORDED TO FILED 1488

NOV 1 1989 -12 35 PM
INTERSTATE COMMERCE COMMISSION

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT

BETWEEN

**WICKES COMPANIES, INC.,
SUCCESSOR IN INTEREST TO
WICKES EQUIPMENT LEASING, INC.
3340 Ocean Park Boulevard, Suite 200
Santa Monica, California 90405**

AND

**BARCLAYSAMERICAN/LEASING, INC.
201 South Tryon Street
Charlotte, North Carolina 28231**

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT, made as of this 29th day of September, 1989, by and between WICKES COMPANIES, INC., ("Wickes") successor in interest to WICKES EQUIPMENT LEASING, INC., a Delaware corporation and BARCLAYSAMERICAN/LEASING, INC., a North Carolina corporation ("Barclays"), (hereafter "Agreement").

WHEREAS, Wickes is prepared to sell and Barclays is prepared to buy certain railroad locomotives subject only to a certain lease agreement dated May 1, 1980, and any amendments, modifications and supplements thereto, providing for the lease to Illinois Central Gulf Railroad, predecessor to the current Illinois Central Railroad Company ("IC") of twelve (12) railroad locomotives and any parts affiliated therewith (the "IC Lease"), (for purposes of this Agreement, all of the preceding leased railroad locomotives shall be singularly and collectively referred to hereafter as "Equipment"), and

WHEREAS, Wickes is willing to assign its right, title and interest in the IC Lease to Barclays and Barclays desires to acquire said right, title and interest and to lease the Equipment to IC on the terms and conditions stated in the IC Lease, and

WHEREAS, the IC Lease between Wickes and IC which is the subject of this Agreement is attached as Exhibit C, which is incorporated herein by reference, and

WHEREAS, Wickes warrants it has and will deliver to Barclays a certified copy of the original IC Lease and all other documentation relevant to the IC Lease.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the sufficiency of which are hereby acknowledged, and the terms and conditions enumerated below, the parties agree as follows:

SECTION I SALE OF EQUIPMENT

ARTICLE 1. EQUIPMENT PURCHASED

1.1 Wickes agrees to sell to Barclays and Barclays agrees to purchase from Wickes the following:

1.1.1 The Equipment more fully described in Schedule 1 to Exhibit A attached hereto and incorporated herein by reference.

ARTICLE 2. PURCHASE PRICE AND PAYMENT

2.1 The purchase price for the Equipment shall be Three Million, One Hundred Thousand Dollars (\$3.1 million), (the "Purchase Price"). Purchase Price shall be received by Wickes on September 29, 1989 ("Closing Date") via wire transfer in immediately available federal funds to Wickes at Irving Trust, One Wall Street, New York, New York, ABA 0210-0067-8 account number 890-0022-205 for credit to the account of Wickes Companies, Inc.

ARTICLE 3. BILL OF SALE

- 3.1 Upon receipt of Purchase Price by Wickes, Barclays shall execute a receipt for the Equipment in the form of Exhibit A attached hereto and Wickes shall furnish to Barclays a duly executed Full Warranty Bill of Sale with respect to the Equipment in the form of Exhibit B attached hereto and incorporated herein by reference, so as to vest good and marketable title to the Equipment in Barclays, free and clear of all claims, liens, mortgages or encumbrances of any kind or character ("Title"), and Wickes shall defend said Title forever.

ARTICLE 4. TAXES

- 4.1 Wickes hereby assumes liability for and shall pay, and shall indemnify, protect, save and keep Barclays harmless from and against any and all fees, taxes (including, without limitation, income, franchise, excise, sales, use, occupational, capital, value added, leasing, leasing use, landing, railroad use, property and stamp taxes and taxes imposed in respect of items of tax preference), levies, assessments, imposts, duties, charges or withholdings of any nature whatsoever, together with any penalties, fines or interest thereon imposed against Barclays or Wickes or any Equipment or any part thereof by any Federal, state or local government or taxing authority upon or with respect to any Equipment or any part thereof or any interest in any party thereof as a consequence of the sale of any Equipment by Wickes to Barclays hereunder.

ARTICLE 5. WARRANTIES AND REPRESENTATIONS BY WICKES WITH REGARD TO THE EQUIPMENT

The Equipment is being sold on an "AS IS, WHERE IS" basis except that Wickes represents and warrants that as of the Closing Date:

- 5.1 Wickes shall have good and sufficient legal and beneficial title thereto, free of any mortgages, security interests, pledges, liens, charges, or other encumbrances whatsoever.
- 5.2 No party has, or will have, an interest in the Equipment residuals other than Barclays.
- 5.3 Wickes shall indemnify and hold harmless Barclays from and against any claims, damages, losses, costs and expenses (including attorneys' fees) as they are incurred and finally awarded, arising out of or attributable to the inaccuracy of these warranties and representations in Article 5.

ARTICLE 6. ASSIGNMENT OF WARRANTIES

- 6.1 To the extent that any manufacturers' or other warranties are still in effect with respect to the Equipment, Wickes hereby assigns such warranties to Barclays at the Closing Date and agrees to take such other steps as shall enable Barclays to process warranty claims directly with the manufacturers.

ARTICLE 7. DOCUMENTS AND RECORDS

- 7.1 Wickes shall transfer to Barclays all closing documents and all other documentation relevant to the IC Lease, and any records existing in relation to the Equipment that are in the possession of Wickes. These items will be delivered to Barclays on the Closing Date, or as soon as practical thereafter.

SECTION II ASSIGNMENT OF EQUIPMENT LEASE

ARTICLE 8 ASSIGNMENT AND ASSUMPTION OF LEASE

- 8.1 Wickes hereby assigns, sells and sets over to Barclays all of Wickes' right, title and interest in and to the IC Lease and Barclays hereby accepts the assignment of the IC Lease and hereby agrees to perform all of the obligations and duties of the lessor thereunder. However, Wickes shall continue to be obligated to perform its obligations arising from events which occurred or arise out of, or are attributable to events which occurred prior to the Closing Date and shall have the rights and remedies that may be available to it in its capacity as lessor under the IC Lease prior to the Closing Date.

ARTICLE 9 WARRANTIES OF WICKES WITH RESPECT TO THE IC LEASE

Wickes represents and warrants that:

- 9.1 The IC Lease is freely assignable by Wickes, in full force and effect, and all representations and warranties are correct and accurate as of the date of this Agreement. Wickes is not in default thereunder and, to the best knowledge of Wickes, neither is IC. To the best knowledge of Wickes, no event has occurred, which with the passage of time, would constitute an event of default thereunder.
- 9.2 Wickes is the lawful owner and holder of all legal and beneficial title to the IC Lease and has not presently assigned or granted a security interest in whole or in part in the IC Lease to anyone other than Barclays. Upon Barclays' acceptance of this assignment, Barclays will acquire from Wickes all of Wickes' right, title and interest in the IC Lease free and clear of all liens, claims, encumbrances and transfer restrictions whatsoever, including, but not limited to, a security interest in favor of Fidelity Union Bank and William Annebeck, as collateral agents for the benefit of The Royal Bank of Canada, Michigan National Bank, Crocker National Bank, Berliner Handels-Und Frankfurter Bank, Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, and The Fidelity Bank, pursuant to a Security Agreement dated as of September 1, 1982, which Wickes hereby warrants to Barclays has been paid in full and released.

- 9.3 Wickes shall indemnify and hold harmless Barclays from and against any claims, damages, losses, costs and expenses (including reasonable attorneys' fees) as they are incurred and finally awarded, arising out of or attributable to the inaccuracy of these warranties and representations in this Article 9.

SECTION III MISCELLANEOUS PROVISIONS

ARTICLE 10. IC's CONSENT AND BARCLAYS SALES TAX RESALE CERTIFICATE

- 10.1 It is a condition of this Agreement that, on the Closing Date, IC execute the Consent, Acknowledgement and Officer's Certification, which is Exhibit D attached hereto and incorporated herein by reference and Barclays provide Wickes with a Sales Tax Resale Certificate for each state that the Equipment is located in .

ARTICLE 11. GENERAL REPRESENTATIONS AND WARRANTIES OF WICKES WITH REGARD TO THE AGREEMENT

Wickes hereby makes the following general representations and warranties to Barclays and shall indemnify and hold harmless Barclays from and against any claims, damages, losses, costs and expenses (including reasonable attorney's fees) as they are incurred and finally awarded, arising out of or attributable to the inaccuracy of these warranties and representations.

- 11.1 Wickes is a corporation duly organized under the laws of the State of Delaware, is validly existing and in good standing under the laws of said state and is duly qualified and authorized to do business as a foreign corporation wherever the nature of its activities require such qualification and authorization, except where the failure to be so qualified would not have a material adverse effect on this transaction.
- 11.2 Wickes has full power, authority and legal right to execute, deliver and perform each and every term of this Agreement, and the same has been duly authorized by all necessary corporate action of Wickes and duly executed and delivered by the authorized officers of Wickes and constitutes the legal, valid and binding obligation of Wickes enforceable in accordance with such terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and to general principles of equity.
- 11.3 The execution of this Agreement and the performance by Wickes of its obligations hereunder will not contravene or violate any provision of its charter or articles or certificate of incorporation or by-laws or any contract, agreement, indenture or other instrument either binding upon Wickes or to which it or any of its properties is subject, where such violation would have a material adverse effect on this transaction.

- 11.4 There is no law or governmental regulation or order known to Wickes that would be contravened by the execution and delivery of this Agreement by Wickes or by performance by Wickes of each and every term and condition contained in this Agreement, where such contravention would have a material adverse effect on this transaction.
- 11.5 No consent of the shareholders of Wickes or of any other person and no consent or approval of, or any filing or registration with, any governmental authority, body, commission or agency is or will be required as a condition to the validity of this Agreement or as a condition to or in connection with the authorization, execution, delivery or performance hereof by Wickes except those which have been duly made or obtained. This Agreement and its performance will not violate or contravene any law, regulation, order, judgment or other similar obligation known to Wickes imposed by any government or regulatory agency, court, administrative or legislative body.
- 11.6 There is no action, suit or proceeding pending or threatened against or affecting Wickes or any of its affiliates before any court or before any governmental commission, arbitrator, board, authority or administrative agency which might result in any material adverse effect on the ability of Wickes or any of its subsidiaries or associated companies to perform its obligations under this Agreement or any related documents.

ARTICLE 12. GENERAL REPRESENTATIONS AND WARRANTIES OF BARCLAYS WITH RESPECT TO THE AGREEMENT

Barclays hereby makes the following general representations and warranties to Wickes and shall indemnify and hold harmless Wickes from and against any claims, damages, losses, costs and expenses (including reasonable attorney's fees) as they are incurred and finally awarded, arising out of or attributable to the inaccuracy of these warranties and representations.

- 12.1 Barclays is a corporation duly organized under the laws of the State of North Carolina, is validly existing and in good standing under the laws of said state and is duly qualified and authorized to do business as a foreign corporation wherever the nature of its activities require such qualification and authorization.
- 12.2 Barclays has full power, authority and legal right to execute, deliver and perform each and every term of this Agreement, and the same has been duly authorized by all necessary corporate action of Barclays and duly executed and delivered by the authorized officers of Barclays and constitutes the legal, valid and binding obligation of Barclays enforceable in accordance with such terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and to general principles of equity.

- 12.3 The execution of this Agreement and the performance by Barclays of its obligations hereunder will not contravene or violate any provision of its charter or articles or certificate of incorporation or by-laws or any contract, agreement, indenture or other instrument either binding upon Barclays or to which it or any of its properties is subject, nor will any such contract, agreement, indenture or other instrument create any lien or encumbrance of any nature whatsoever with respect to this Agreement or to any of the Equipment.
- 12.4 No consent of the shareholders of Barclays or of any holders of indebtedness of Barclays or of any other person and no consent or approval of, or any filing or registration with, any governmental authority, body, commission or agency is or will be required as a condition to the validity of this Agreement or as a condition to or in connection with the authorization, execution, delivery or performance hereof by Barclays except those which have been duly made or obtained. This Agreement and its performance will not violate or contravene any law, regulation, order, judgment or other similar obligation known to Barclays imposed by any government or regulatory agency, court, administrative or legislative body.
- 12.5 There is no law or governmental regulation or order known to Barclays that would be contravened by the execution and delivery of this Agreement by Barclays or by performance by Barclays of each and every term and condition contained in this Agreement, where such contravention would have a material adverse effect on this transaction.
- 12.6 There is no action, suit or proceeding pending or threatened against or affecting Barclays or any of its affiliates before any court or before any governmental commission, arbitrator, board, authority or administrative agency which might result in any material adverse effect on the ability of Barclays or any of its subsidiaries or associated companies to perform its obligations under this Agreement or any related documents.

ARTICLE 13. GOVERNING LAW

- 13.1 Applicable Law. This Agreement shall in all respects be governed by, and construed in accordance with, the laws of the State of New York. This Agreement shall be effective for all purposes as of the date first above written.
- 13.2 Judicial Proceedings. Any judicial proceeding brought against Wickes or Barclays with respect to this Agreement may be brought in any court of competent jurisdiction in the State of New York, and, by execution and delivery of this Agreement, Wickes and Barclays (i) accept, generally and unconditionally, the nonexclusive jurisdiction of such courts and any related appellate court, and irrevocably agree to be bound by any judgment rendered thereby in connection with this Agreement and (ii) irrevocably waives any objection either of them may now or hereafter

have as to the venue of any such suit, action or proceeding brought in such a court or that such court is an inconvenient forum. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of either party to bring proceedings against the other party in the courts of any other jurisdiction.

ARTICLE 14. NOTICES AND REQUESTS

- 14.1 Unless otherwise specifically provided herein, all notices required or permitted by the terms hereof shall be in writing and shall be deemed to have been duly given when delivered personally or otherwise actually received or five days after being deposited in the United States mail, registered, postage prepaid, addressed as follows:

If to Wickes: Wickes Companies, Inc.
3340 Ocean Park Boulevard
Suite 2000
Santa Monica, California 90405
Attention: Vice-President Tax and Legal

Telephone: (213) 452-0161
Facsimile: (213) 452-9583

If to Barclays: BarclaysAmerican/Leasing, Inc.
201 South Tryon Street
Charlotte, North Carolina 28231
Attention: Manager of Contract Administration

Telephone: (704) 339-5000
Facsimile: (704) 339-5155

or at such other place as any such party may designate by notice given in accordance with this Article.

ARTICLE 15. MISCELLANEOUS

- 15.1 This Agreement may be executed in several counterparts, each of which shall constitute an original, but all of which shall constitute but one and the same Agreement.
- 15.2 This Agreement, together with the Exhibits attached hereto, and all other supporting documentation, is the entire Agreement between the parties hereto and shall not be modified or amended, except by an instrument in writing signed by duly authorized representatives of said parties.
- 15.3 This Agreement shall be binding upon and inure to the benefit of the parties' successors and assigns.

- 15.4 Paragraph headings are for convenience only and are not to be deemed to be a controlling part of this Agreement.
- 15.5 If any part of this Agreement shall be deemed to be invalid or unenforceable for any reason, the remaining provisions shall remain in full force and effect.
- 15.6 The terms and conditions of this Agreement, including but not limited to indemnities provided in this Agreement, shall survive the Closing Date.

IN WITNESS WHEREOF, the parties hereto have caused this Railroad Equipment Purchase and Lease Assignment Agreement to be executed by their duly authorized representatives as of the date first above written.

ATTEST:


Asst. Secretary

[CORPORATE SEAL]

ATTEST:


Asst. Secretary

[CORPORATE SEAL]

WICKES COMPANIES, INC.

By: 

Robert S. Fenton

Its: 

Vice President

BARCLAYSAMERICAN/LEASING, INC.

By: 

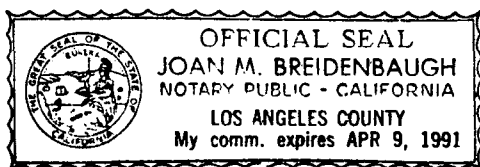
Its: 

STATE OF California

COUNTY OF Los Angeles

I, Joan M. Breidenbaugh, a Notary Public for said County and State aforesaid, hereby certify that ~~Robert J. Fenton~~ Sherla Gask, personally came before me this day and acknowledged that She is Secretary of Wickes Companies, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by her self as its Asst. Secretary.

WITNESS my hand and official seal, this 23rd day of October, 1989.



Joan M. Breidenbaugh
Notary Public
My commission expires: 4/9/91

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Donna Lea Layton (now Watson), a Notary Public for said County and State aforesaid, hereby certify that Marilyn P. Koch, personally came before me this day and acknowledged that she is Assistant Secretary of BarclaysAmerican/Leasing, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Executive Vice President, sealed with its corporate seal, and attested by her self as its Assistant Secretary.

WITNESS my hand and official seal, this 29th day of September, 1989.

Donna Lea Layton (now Watson)
Notary Public
My commission expires: January 30, 1990

EXHIBIT A

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKES EQUIPMENT LEASING, INC. AND BARCLAYSAMERICAN/LEASING, INC.

RECEIPT FOR EQUIPMENT
AND PURCHASE PRICE

IN ACCORDANCE WITH the Railroad Equipment Purchase and Assignment Agreement between Wickes Companies, Inc. ("Wickes") and BarclaysAmerican/-Leasing, Inc. ("Barclays") dated September 29, 1989, (the "Agreement"), the undersigned Barclays hereby accepts the Equipment described in Schedule 1 hereto. Wickes hereby acknowledges receipt of the Purchase Price for the Equipment.

WICKES COMPANIES, INC.

By: _____

[Signature]
Robert S. Fenton

Its: _____

BARCLAYSAMERICAN/LEASING, INC.

By: _____

[Signature]

Its: _____

[Signature]

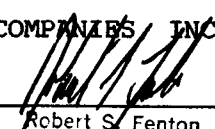
SCHEDULE 1 TO RECEIPT FOR EQUIPMENT

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKS COMPANIES, INC. AND BARCLAYSAMERICAN/LEASING, INC.

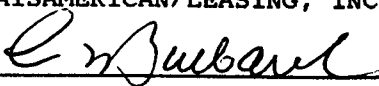
Description of Equipment

<u>EQUIPMENT</u>	<u>TYPE</u>	<u>ICC REGISTRATION NO.</u>
1. GP-11	Switching Locomotive	ICG 8739
2. GP-11	Switching Locomotive	ICG 8740
3. SW-14	Switching Locomotive	ICG 1429
4. SW-14	Switching Locomotive	ICG 1430
5. SW-14	Switching Locomotive	ICG 1431
6. SW-14	Switching Locomotive	ICG 1432
7. SW-14	Switching Locomotive	ICG 1433
8. SW-14	Switching Locomotive	ICG 1434
9. SW-14	Switching Locomotive	ICG 1435
10. SW-14	Switching Locomotive	ICG 1436
11. SW-14	Switching Locomotive	ICG 1437
12. SW-14	Switching Locomotive	ICG 1438

WICKES COMPANIES, INC.

By: 
Robert S. Fenton
Vice President

BARCLAYSAMERICAN/LEASING, INC.

By: 
EJP

SCHEDULE 2 TO RECEIPT FOR EQUIPMENT

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKS COMPANIES, INC. AND BARCLAYSAMERICAN/LEASING, INC.

SCHEDULE OF PURCHASE PRICES

<u>EQUIPMENT</u>	<u>ICC REGISTRATION NO.</u>	<u>AMOUNT</u>
1. GP-11	ICG 8739	\$ 294,096.10
2. GP-11	ICG 8740	294,096.10
3. SW-14	ICG 1429	251,180.78
4. SW-14	ICG 1430	251,180.78
5. SW-14	ICG 1431	251,180.78
6. SW-14	ICG 1432	251,180.78
7. SW-14	ICG 1433	251,180.78
8. SW-14	ICG 1434	251,180.78
9. SW-14	ICG 1435	251,180.78
10. SW-14	ICG 1436	251,180.78
11. SW-14	ICG 1437	251,180.78
12. SW-14	ICG 1438	<u>251,180.78</u>
	TOTAL	\$3,100,000.00

WICKES COMPANIES, INC.

By: _____

Robert S. Feinton
Vice President

Its: _____

BARCLAYSAMERICAN/LEASING, INC.

By: _____

Its: _____

EVP

EXHIBIT B

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKES COMPANIES, INC. AND BARCLAYSAMERICAN/LEASING, INC.

FULL WARRANTY BILL OF SALE

Know all men by these presents, that Wickes Companies, Inc., a Delaware corporation (hereinafter "Wickes") in consideration of Ten Dollars (\$10.00) and other valuable consideration to it in hand paid by BarclaysAmerican/Leasing, Inc., a North Carolina corporation (hereinafter "Barclays"), the receipt of which is hereby acknowledged, sells to Barclays, its successors and assigns, to have and to hold the same for its and their own use and behalf forever, the railroad locomotives shown on Schedule 1 attached hereto.

Wickes hereby represents, warrants and agrees that it is the lawful owner of the full legal and beneficial title to the locomotives; that as of the date hereof the locomotives are free from all liens and encumbrances whatsoever; that Wickes has the right to sell the same as aforesaid; and that Wickes will warrant and defend this sale of the locomotives to Barclays and said title thereto against the claims and demands of all persons and entities forever.

IN WITNESS WHEREOF, Wickes has caused its corporate seal to be hereunto affixed and these presents to be signed by its duly authorized officer this _____ day of _____, 1989.

WICKES COMPANIES, INC.

By: _____

Its: _____

[CORPORATE SEAL]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for said County and State aforesaid, hereby certify that _____, personally came before me this day and acknowledged that he is _____ Secretary of Wickes Companies, Inc., and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by _____ self as its _____ Secretary.

WITNESS my hand and official seal, this _____ day of _____, 1989.

Notary Public

My commission expires: _____

SCHEDULE 1

TO FULL WARRANTY BILL OF SALE
DATED SEPTEMBER 29, 1989

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKS COMPANIES, INC. AND BARCLAYSAMERICAN/LEASING, INC.

Description of Railroad Locomotives

<u>EQUIPMENT</u>	<u>TYPE</u>	<u>ICC REGISTRATION NO.</u>
1. GP-11	Switching Locomotive	ICG 8739
2. GP-11	Switching Locomotive	ICG 8740
3. SW-14	Switching Locomotive	ICG 1429
4. SW-14	Switching Locomotive	ICG 1430
5. SW-14	Switching Locomotive	ICG 1431
6. SW-14	Switching Locomotive	ICG 1432
7. SW-14	Switching Locomotive	ICG 1433
8. SW-14	Switching Locomotive	ICG 1434
9. SW-14	Switching Locomotive	ICG 1435
10. SW-14	Switching Locomotive	ICG 1436
11. SW-14	Switching Locomotive	ICG 1437
12. SW-14	Switching Locomotive	ICG 1438

WICKES COMPANIES, INC.

By: _____

Its: _____

BARCLAYSAMERICAN/LEASING, INC.

By: *[Signature]*

Its: *EV*

11887
REGISTRATION NO. 1425

JUN 10 1980 - 12 17 PM

INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

Dated as of May 1, 1980

BETWEEN

ILLINOIS CENTRAL GULF RAILROAD COMPANY,
LESSEE

AND

WICKES EQUIPMENT LEASING, INC.,
LESSOR

Covering 12 Locomotives

Filed and recorded with the Interstate Commerce Commission
pursuant to 49 U.S.C. §11303 on _____, 1980.

LEASE OF RAILROAD EQUIPMENT
TABLE OF CONTENTS

<u>SECTION NUMBER</u>	<u>TITLE</u>	<u>PAGE NUMBER</u>
1	DEFINITIONS.....	1
2	NET LEASE.....	2
3	DELIVERY AND ACCEPTANCE OF EQUIPMENT.....	3
4	RENTALS.....	3
4.1	Amount and Date of Payment.....	3
4.2	Payments on Nonbusiness Days.....	5
4.3	Instruction for Rental Payments.....	5
4.4	Interest on Overdue Rentals.....	5
5	TERM OF LEASE.....	5
5.1	Beginning and Termination; Survival.....	5
6	IDENTIFICATION MARKS.....	5
7	DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; INDEMNIFICATION.....	6
7.1	Disclaimer of Warranties.....	6
7.2	Compliance with Laws and Rules.....	7
7.3	Indemnification.....	9
8	MAINTENANCE; CASUALTY OCCURRENCES; INSURANCE..	10
8.1	Maintenance	10
8.2	Definition of Casualty Occurrence; Payments.....	10
8.3	Amount of Casualty Value.....	10
8.4	Lessee Agent for Disposal.....	11
8.5	Requisition by United States Government.....	11
8.6	No Release.....	12
8.7	Insurance to be Maintained.....	12
9	REPORTS AND INSPECTION.....	13
10	TAXES.....	13
11	DEFAULT.....	14
11.1	Event of Default; Remedies.....	14
11.2	Failure To Exercise Rights Is Not Waiver....	17
11.3	Notice of Event of Default.....	17
12	RETURN OF UNITS UPON DEFAULT.....	17
12.1	Return of Units.....	17
12.2	Lessor Appointed Agent of Lessee.....	19
13	RENEWAL OPTION.....	19
14	RETURN OF EQUIPMENT UPON EXPIRATION OF TERMS..	20
15	SUBLEASE; ASSIGNMENT; MERGER.....	21
16	ASSIGNMENT BY LESSOR.....	22

<u>SECTION NUMBER</u>	<u>TITLE</u>	<u>PAGE NUMBER</u>
17	RECORDING.....	23
18	INCOME TAX INDEMNIFICATION.....	23
18.1	Tax Assumption.....	23
18.2	Basic Indemnity.....	25
18.3	Effect of Indemnities.....	26
18.4	Alterations, Modifications and Improvements.	30
19	LESSEE'S ADDITIONAL WARRANTIES AND REPRESENTATIONS.....	31
20	CONDITION TO LESSOR'S OBLIGATIONS.....	32
21	NOTICES.....	36
22	MISCELLANEOUS.....	36
22.1	Severability.....	37
22.2	Effect and Modification of Lease.....	37
22.3	Third Party Beneficiaries.....	37
22.4	Lessor's Right to Perform for Lessee.....	37
23	EXECUTION.....	38
24	LAW GOVERNING.....	38
	ACKNOWLEDGMENT.....	39
	SCHEDULE 1 TO LEASE.....	40
	SCHEDULE 2 TO LEASE.....	41
	SCHEDULE 3 TO LEASE.....	43

LEASE OF RAILROAD EQUIPMENT dated as of May 1, 1980, between ILLINOIS CENTRAL GULF RAILROAD COMPANY, a Delaware corporation ("Lessee"), and WICKES EQUIPMENT LEASING, INC., a Delaware corporation ("Lessor").

WHEREAS Lessor is entering into a Purchase and Remanufacture Agreement dated as of the date hereof with Lessee, wherein Lessor has agreed to purchase from the owners thereof, in order to secure reusable components, the used locomotives described in Exhibit A annexed thereto at the prices and under the terms and conditions set forth therein;

WHEREAS Lessee has agreed under the Purchase and Remanufacture Agreement to remanufacture for Lessor such used locomotives, using where possible such parts as may be obtained from such used locomotives, at the remanufactured costs and under the terms and conditions set forth therein; and

WHEREAS Lessee desires to lease the remanufactured locomotives from Lessor;

NOW, THEREFORE, in consideration of the premises and of the rental to be paid and the covenants hereinafter mentioned to be kept and performed by Lessee, Lessor hereby leases the remanufactured locomotives to Lessee upon the following terms and conditions:

§1 DEFINITIONS

1.1 "Equipment" or "Units of Equipment" shall mean the remanufactured locomotives described in Schedule 1 to and leased by Lessee from Lessor under this Lease.

1.2 "Lessor's Cost of Equipment" shall mean the cost of the acquisition, remanufacture and delivery of each Unit of Equipment as set forth in the PRA and Schedule 1 to this Lease.

1.3 "Locomotive Acquisition Cost" shall mean the purchase price of each of the used locomotives as set forth in the PRA and in Schedule 1 to this Lease.

1.4 "PRA" shall mean the Purchase and Remanufacture Agreement dated as of the date hereof between the Lessor and the Lessee.

1.5 "Remanufactured Costs" shall mean the cost of remanufacture and delivery of each Unit of Equipment as set forth in the PRA and Schedule 1 to this Lease.

1.6. "Unit" or "Unit of Equipment" shall mean a single remanufactured locomotive described in Schedule 1 to and leased by Lessee from Lessor under this Lease.

§2. NET LEASE

This Lease is a net lease. Lessee's obligation to pay all rentals and other amounts hereunder shall be absolute and unconditional and, except as herein specifically provided, Lessee shall not be entitled to any abatement of rent or such other amounts, reduction thereof or setoff against rent or such other amounts, including, but not limited to, counter-claims, abatements, reductions or setoffs due or alleged to be due by reason of any past, present or future claims of Lessee against Lessor under this Lease or under the PRA; nor, except as otherwise expressly provided herein, shall this Lease terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or damage to or loss of possession or loss of use or destruction of all or any of the Units of Equipment from whatsoever cause, any liens, encumbrances or rights of others with respect to any of the Units of Equipment, the prohibition of or other restriction against Lessee's use of all or any of the Units of Equipment, the interference with such use by any person or entity, the invalidity or unenforceability or lack of due authorization of this Lease, any insolvency of or any bankruptcy, reorganization or similar proceeding against Lessee, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Lease. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by

statute or otherwise to terminate, cancel, quit or surrender the lease of any of the Units of Equipment except in accordance with the express terms hereof. Each rental or other payment made by Lessee hereunder shall be final and Lessee shall not seek to recover all or any part of such payment from Lessor for any reason whatsoever.

§3. DELIVERY AND ACCEPTANCE OF EQUIPMENT

Lessor hereby appoints Lessee its agent for inspection and acceptance of the Units of Equipment pursuant to, and in accordance with, the PRA. Lessor will cause the Equipment to be delivered to Lessee at the point or points within the United States of America at which the Units of Equipment are to be delivered to Lessor under the PRA. Upon such delivery of each Unit of Equipment, Lessee will cause an employee of Lessee to inspect the same, and if such Unit or Units of Equipment are found to be acceptable, to accept delivery of such Unit or Units of Equipment and Lessee shall execute and deliver to Lessor a certificate of acceptance (the "Certificate of Acceptance") in accordance with the provisions of Paragraph 3 of the PRA, stating that such Unit or Units of Equipment have been inspected and accepted on behalf of Lessee and Lessor on the date of such Certificate of Acceptance and are marked in accordance with Paragraph 2 of the PRA and Section 6 of this Lease, whereupon, except as provided in the next sentence hereof such Unit or Units of Equipment shall be deemed to have been delivered to and accepted by Lessee and shall be subject thereafter to all the terms and conditions of this Lease. The delivery, inspection and acceptance hereunder of any Unit or Units of Equipment excluded from the PRA pursuant to Paragraphs 3 or 5 thereof shall be null and void and ineffective to subject such Unit or Units of Equipment to this Lease. Lessee agrees that it will not place any Unit or Units of Equipment in service prior to the date on which such Unit or Units of Equipment shall have been delivered to and accepted by Lessee on behalf of Lessor.

§4. RENTALS

4.1 Amount and Date of Payment. Lessee agrees to pay to Lessor as rental for each Unit subject to this Lease one interim and 60 consecutive quarter-annual payments.

(i) Interim Rent. The interim rental payment for each Unit subject to this Lease is payable on August 1, 1980 (the "Interim Rent Payment Date"), and shall be in an amount equal to the sum of: (A) the Locomotives Acquisition Cost for each such Unit multiplied by .0384433% for each day elapsed from and including the date of purchase of each used locomotive from the owner thereof under the PRA to, but not including, the remanufactured closing date (as defined in Paragraph 4 of the PRA) for such Unit under the PRA (provided, however, that if the remanufactured closing date for any such Unit shall be more than sixty (60) days after date of purchase of the used locomotive, the daily interim rent payable hereunder in respect of each such Unit starting on the sixty-first day following such purchase shall be equal to 114% above the rate of Security Pacific National Bank, in effect from time to time for prime commercial loans of 90-day maturities to its most substantial commercial customers divided by 360 or .0384433 percent, whichever is higher, times the Locomotive Acquisition Cost for such Unit); and (B) the Lessor's Cost of Equipment for each such Unit multiplied by .0384433% for each day elapsed from and including the remanufactured closing date for such Unit under the PRA to, but not including, the Interim Rent Payment Date.

(ii) Quarterly Rental Payment. The 60 quarter-annual rental payments are payable in arrears on October 30, January 31, April 30 and July 31 of each year, commencing October 30, 1980, to and including July 31, 1995, and shall each be in an amount equal to 3.45990% of the Lessor's Cost of Equipment of each such Unit subject to this Lease during the preceding quarter-annual period.

The foregoing rents have been computed to produce for the Lessor a net after-tax yield in respect of this Lease on the assumption that the Remanufactured Costs of all the Equipment subject to this Lease is 89% of the Lessor's Cost for all of the Equipment subject to this Lease; if the Remanufactured Costs of all of the Equipment is for any reason less than 89% of the Lessor's Cost of Equipment for all of the Equipment leased under this Lease, the rent shall be adjusted to cause the net after-tax yield to Lessor in respect of this Lease to be equal to the net after-tax yield which the Lessor would have realized had such assumption been correct.

4.2 Payments on Nonbusiness Days. If any of the rental payment dates referred to in §4.1 above is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein means a calendar day, excluding Saturdays, Sundays and any other day on which banking institutions in Chicago, Illinois, and San Diego, California are authorized or obligated to remain closed.

4.3 Instructions for Rental Payments. All the payments by Lessee provided for in the Lease, including, but not limited to, the payments provided for in this §4, shall be paid to Lessor at San Diego, California, or at such other places as Lessor shall specify in writing in Federal or other funds immediately available to Lessor by 10:00 a.m., San Diego time, on the date such payment is due.

4.4 Interest on Overdue Rentals. Anything to the contrary herein contained notwithstanding, any nonpayment of rentals and other obligations of Lessee due hereunder shall result in the obligation on the part of Lessee promptly to pay, to the extent legally enforceable, interest at a rate per annum (the "Penalty Rate") equal to 114% above the rate of Security Pacific National Bank, in effect from time to time for prime commercial loans of 90-day maturities to its most substantial commercial customers on the overdue rentals and other obligations for the period of time during which they are overdue or such lesser amount as may be legally enforceable.

§5. TERM OF LEASE

5.1 Beginning and Termination; Survival. The term of this Lease as to each Unit shall begin on the date of delivery and acceptance of such Unit hereunder and under the PRA and, subject to the provisions of §§11 and 13 hereof, shall terminate on the date on which the final payment of rent in respect thereof is due pursuant to §4.1 hereof. The obligations of Lessee hereunder (including, but not limited to, the obligations under §§4, 7.3, 10, 12, 14 and 18 hereof) shall survive the expiration of the term of this Lease.

§6. IDENTIFICATION MARKS

Lessee (at its own expense) will cause each Unit to be kept numbered with the road number set forth in Schedule 1

hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Unit, in letters not less than one inch in height, the words "OWNER-LESSOR WICKES EQUIPMENT LEASING, INC.," or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect Lessor's title to and interest in such Unit and the rights of Lessor under this Lease. Lessee will not place any such Unit in operation or exercise any control or dominion over the same until such words shall have been so marked and will replace promptly any such markings which may be removed, defaced or destroyed. Lessee will not change the road number or any Unit unless and until: (i) a statement of new number or numbers to be substituted therefor shall have been filed with Lessor and duly filed, recorded and deposited by Lessee in all public offices where this Lease shall have been filed, recorded and deposited; and (ii) Lessee shall have furnished Lessor an opinion of counsel, satisfactory to Lessor, to such effect and to the further effect that such acts are sufficient for the proper protection, to their satisfaction, of Lessor's interests in the Equipment. The Equipment may be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates.

Except as provided in the preceding paragraph, Lessee will not allow the name of any person, association or corporation to be placed on any Unit as a designation that might be interpreted as a claim of ownership.

§7. DISCLAIMER OF WARRANTIES; COMPLIANCE WITH LAWS AND RULES; INDEMNIFICATION

7.1 Disclaimer of Warranties. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT DELIVERED TO LESSEE HEREUNDER, AND LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE EQUIPMENT OR ANY COMPONENT THEREOF, OR AS TO LESSEE'S RIGHT TO QUIET ENJOYMENT THEREOF (EXCEPT AS TO ACTS OF LESSOR), OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO ANY UNIT, EITHER UPON DELIVERY THEREOF TO LESSEE OR OTHERWISE, it being agreed that all such risks, as between Lessor and Lessee, are to be borne

by Lessee; but Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact during the term of this Lease to assert and enforce from time to time, in the name of and for the account of Lessor and/or Lessee, as their interests may appear, at Lessee's sole cost and expense, whatever claims and rights Lessor may have under the PRA (including any warranties relating to any material acquired for the manufacture of the Equipment); provided, however, that if at any time an Event of Default (as hereinafter defined) shall have occurred and be continuing, Lessor may assert and enforce, at Lessee's sole cost and expense, such claims and rights. Lessor shall have no responsibility or liability to Lessee or any other person with respect to any of the following: (i) any liability, loss or damage caused or alleged to be caused directly or indirectly by any Unit or by any inadequacy thereof or deficiency or defect therein or by any other circumstances in connection therewith; (ii) the use, operation or performance of any Unit or any risks relating thereto; (iii) any interruption of service, loss of business or anticipated profits or consequential damages; or (iv) the delivery, operation, servicing, maintenance, repair, improvement or replacement of any Unit. Lessee's delivery of a Certificate of Acceptance shall be conclusive evidence as between Lessee and Lessor that the Equipment described therein are in all the foregoing respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor based on any of the foregoing matters.

7.2 Compliance with Laws and Rules. Lessee agrees, for the benefit of Lessor, to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of each Unit) with all applicable laws of the jurisdictions in which its operations involving the Equipment may extend, with the interchange rules of the Association of American Railroads and with all lawful rules of the Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, and with all other applicable interchange rules, to the extent that such laws and rules affect the title, operation or use of the Equipment, and in the event that, prior to the expiration of this Lease or any renewal hereof, such laws or rules require any alteration, replacement, addition or modification of or to any part on any Unit, Lessee will conform therewith at its own expense; provided, however, that Lessee may at its own expense in good faith contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of Lessor, adversely affect the property or rights of Lessor under this Lease.

Lessee, at its own cost and expense, may furnish other additions, modifications and improvements (including, without limitation, any special devices, assemblies or racks at any time attached or affixed to any Unit, the cost of which is not included in the Lessor's Equipment Cost of such Unit and which are not required for the operation or use of such Unit by the United States Department of Transportation, the Interstate Commerce Commission or any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over such Unit) (collectively "Additions") to the Units as Lessee may deem desirable in the proper conduct of its business so long as such Additions shall not be inconsistent with the continuing operation of the Equipment, and shall not diminish the value, utility or condition of the Equipment below the value, utility and condition thereof immediately prior to the making of such Additions, assuming the Equipment was then in the condition required to be maintained by the terms of this Lease.

Title to all Parts (as hereinbelow defined) incorporated in or installed as part of the Equipment shall without further act vest in Lessor in the following cases: (i) such Part is in replacement of or in substitution for, and not in addition to, any Part originally incorporated in or installed as part of a Unit at the time of the acceptance thereof hereunder or any Part in replacement of, or in substitution for, any such original Part; (ii) such Part is required to be incorporated in or installed as part of the Units of Equipment pursuant to the provisions of §8.1 hereof or the terms of the first sentence of this §7.2; or (iii) such Part cannot be readily removed from the Unit to which it relates without material damage thereto and without diminishing or impairing the value or utility which such Unit shall have had at such time had such alteration or addition not occurred. In all other cases, if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, shall have occurred and be continuing, title to Parts incorporated in or installed as parts of the Units of Equipment as a result of such alterations or additions shall vest in Lessee and may be removed by Lessee at any time during the term of this Lease and prior to the renewal thereof and prior to the return of the Equipment to Lessor pursuant to §14 hereof. The term "Part" for the purposes of this paragraph shall be defined to include any appliance, part, instrument, accessory, furnishing or other equipment of any nature which may from time to time be incorporated in or installed as part of any Unit.

7.3 Indemnification. Lessee agrees to indemnify, protect and hold harmless Lessor from and against all losses, damages, injuries, liabilities, claims (including, without limitation, claims for strict liability in tort) and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, but not limited to, counsel fees and expenses, patent liabilities, penalties and interest, arising out of or as the result of the entering into or the performance of or the occurrence of a default, an event of default or an Event of Default under this Lease or the PRA, the ownership of any Unit, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or return of any Unit or any accident in connection with the operation, use, condition, possession, storage or return of any Unit resulting in damage to property or injury or death to any person. The amount Lessee shall be required to pay with respect to any of its obligations under this section shall include a payment to Lessor sufficient to restore Lessor to the same position, after considering the effect of such payment on its United States Federal income taxes and state and city income taxes or franchise taxes based on net income, that the Lessor would have been in had the liability or expense indemnified against not been incurred.

Lessee shall not be released from its obligations hereunder in the event of any damage to or the destruction or loss of any or all of the Units of Equipment.

Lessee agrees to cooperate with the Lessor in the preparation of any and all reports (other than tax returns) to be filed by Lessor with any Federal, state or other regulatory authority by reason of the ownership by Lessor of the Equipment or the leasing thereof to Lessee.

The indemnities contained in this §7.3 shall survive the expiration or termination of this Lease and return of the Equipment as provided in §§12 and 14 hereof with respect to all events, facts, conditions or other circumstances occurring or existing prior to such expiration or termination. None of the indemnities in this §7.3 shall be deemed to create any rights of subrogation in any insurer or third party against Lessee therefor, from or under the indemnified party, whether because of any claim paid or defense provided for the benefit thereof or otherwise. The foregoing indemnities by Lessee shall not constitute a guarantee by Lessee of the residual value of any Unit.

§8. MAINTENANCE; CASUALTY OCCURRENCES; INSURANCE

8.1 Maintenance. Lessee at its own expense will maintain and service each Unit (including any parts installed or replacements made to any Unit and considered an Addition [as defined in §7.2 hereof] hereunder) which will include testing, repair and overhaul of each Unit so that each Unit will remain: (i) in as good operating condition as when delivered (ordinary wear and tear excepted); (ii) in compliance with any and all applicable laws and regulations; and (iii) eligible for railroad interchange in accordance with the interchange rules of the Association of American Railroads, if such rules are applicable. Each Unit will be maintained at least as well as other similar equipment owned or leased by Lessee.

8.2 Definition of Casualty Occurrence; Payments. In the event that any Unit shall be or become worn out, lost, stolen, destroyed, or irreparably damaged, from any cause whatsoever, or taken or requisitioned by condemnation or otherwise by the United States Government or by any other governmental entity resulting in loss of possession by Lessee for a period of 90 consecutive days during the term hereof (such occurrences being hereinafter called "Casualty Occurrences"), prior to the return of such Unit in the manner set forth in §14 hereof, Lessee shall promptly and fully notify Lessor with respect thereto. On the rental payment date next succeeding such notice Lessee shall pay to Lessor an amount equal to the rental payment or payments in respect of such Unit due and payable on such date plus a sum equal to the Casualty Value (as defined in §8.3 hereof) of such Unit as of the date of such payment in accordance with the schedule referred to below. Upon the making of such payment by Lessee in respect of any Unit, the rental for such Unit shall cease to accrue, the term of this Lease as to such Unit shall terminate and, except in the case of the loss, theft, or destruction of such Unit or its irreparable damage, Lessor shall be entitled to recover possession of such Unit and Lessee shall pay all costs of removal of such Unit and of freight to the place designated pursuant to §14 hereof. In the case where such Unit is lost, stolen, destroyed or irreparably damaged, Lessor shall, upon payment of such rental and any other payments and the Casualty Value of such Unit, transfer to Lessee, without any representation or warranty of any kind, expressed or implied, whatever title to such Unit it may have, and upon such transfer the lease of such Unit hereunder shall end.

8.3 Amount of Casualty Value. The "Casualty Value" of each Unit as of the payment date on which payment is to be

made as aforesaid shall be an amount equal to that percentage of the Lessor's Cost of Equipment of such Unit as is set forth in Schedule 2 hereto opposite such date.

Whenever any Unit shall suffer a Casualty Occurrence after termination of this Lease at the expiration of the original or any extended term hereof and before such Unit shall have been returned in the manner provided in §14 hereof, Lessee shall promptly and fully notify Lessor with respect thereto and pay to Lessor an amount equal to the Casualty Value of such Unit, which shall be 20% of the Lessor's Equipment Cost of such Unit (unless such termination occurs after the term of this Lease has been extended pursuant to §13 hereof, in which case the amount of such Casualty Value shall be as agreed upon between Lessor and Lessee at the time of such extension). Upon the making of any such payment by Lessee in respect of any Unit (except in the case of the loss, theft or complete destruction of such Unit), Lessee shall be entitled to recover possession of such Unit.

8.4 Lessee Agent for Disposal. In the situation described in §8.2 hereof where Lessor is entitled to recover possession of a Unit due to a Casualty Occurrence, Lessor hereby irrevocably appoints Lessee as agent and Lessee hereby accepts such appointment as agent to dispose of any such Unit and Lessee further agrees to use its best efforts to dispose of any such Unit or component at the best price obtainable on an "as is, where is" basis. Provided that Lessee has previously paid the Casualty Value and other payments due under §8.2 hereof to Lessor, Lessee shall in such situation be entitled to the proceeds of such sale to the extent they do not exceed the Casualty Value of such Unit, and shall pay any excess to Lessor.

8.5 Requisition by United States Government. In the event of the requisition for use (which is not a Casualty Occurrence) by the United States Government or any political subdivision thereof (the "Government") of any Unit during the term of this Lease, all of Lessee's obligations under this Lease with respect to such Unit shall continue to the same extent as if such requisition had not occurred, except that if such Unit is returned by the Government at any time after the end of the term of this Lease, Lessee shall be obligated to return such Unit to Lessor pursuant to §§12 or 14 hereof, as the case may be, promptly upon such return by the Government rather than at the end of the term of this

Lease, but Lessee shall in all other respects comply with the provisions of said §§12 or 14, as the case may be, with respect to such Unit. All payments received by Lessor or Lessee from the Government for the use of such Unit during the term of this Lease shall be paid over to, or retained by, Lessee provided no Event of Default (or other event which after notice or lapse of time or both would become an Event of Default) shall have occurred and be continuing; and all payments received by Lessor or Lessee from the Government for the use of such Unit after the term of this Lease, shall be paid over to, or retained by, Lessor.

8.6 No Release. Except as hereinabove in this §8 provided, Lessee shall not be released from its obligations hereunder in the event of and shall bear the risk of, any Casualty Occurrence to any Unit from and after delivery and acceptance thereof by Lessee hereunder.

8.7 Insurance to be Maintained.

(i) Lessee will cause to be carried and maintained at all times during the term of this Lease physical damage and liability insurance covering the Equipment in the name of Lessor and Lessee in such amounts and in such form as is commonly maintained on comparable equipment by companies similarly situated. Lessee currently maintains the insurance coverage described in annexed Schedule 3. Such insurance policy or policies shall provide that all losses thereunder will be adjusted with Lessee and Lessor and will be payable to Lessor and Lessee as their respective interests shall appear;

(ii) The policies of insurance required under this Section 8.7 shall be valid and enforceable policies issued by insurers of recognized responsibility comparable to Lessee's present insurers. Upon the execution of the first Certificate of Acceptance, and thereafter not less than thirty (30) days (if insurance industry practice so allows) prior to the expiration dates of any expiring policies theretofore furnished under this Section 8.7 originals of the policies and satisfactory evidence of the payment of premiums thereon shall be delivered by Lessee to Lessor except that Lessor may accept copies of the policies and certificates of insurance in lieu of original policies. Such policies may be blanket policies covering other equipment not covered by this Lease, provided that any blanket policy shall in an accompanying certificate of insurance or rider specifically designate the units of

sales, use, personal property, leasing, leasing use, stamp or other taxes, levies, imposts, duties, charges or withholdings of any nature (together with any penalties, fines or interest thereon) imposed against Lessor, Lessee or the Equipment by any Federal, state or local government or taxing authority upon or with respect to the Equipment or upon the purchase, remanufacture, ownership, delivery, lease, possession, use, operation, return, sale or other disposition thereof hereunder or in connection herewith, or upon the rentals, receipts, or earnings arising therefrom, or upon or with respect to this Lease (other than any United States Federal income tax payable by the Lessor measured by net income based on the receipt of payments provided for herein and other than the aggregate of all state or local taxes measured by net income based on such receipts, except for any such tax which is in substitution for or relieves the Lessee from the payment of taxes which it would otherwise be obligated to pay or reimburse as herein provided) unless, and to the extent only that, any such tax, levy, impost, duty, charge or withholding is being contested by Lessee in good faith and by appropriate proceedings which do not adversely affect the property or rights of the Lessor hereunder. In addition, Lessee shall pay on demand the amount of any Federal, state and local taxes required to be paid by Lessor in respect of the receipt of amounts referred to in this Section 10. Lessee agrees to file, on behalf of Lessor, all required tax returns and reports concerning the Equipment with all appropriate governmental agencies and to furnish Lessor upon request a copy of each such return or report, including evidence of payment, within thirty (30) days after the due date of such filing. To the extent that any taxes hereinabove referred to in this Section 10 are included in Lessor's Cost of Equipment for any Unit, Lessee shall not be obligated under this Section 10 for indemnification with respect to such taxes.

§11. DEFAULT

11.1 Events of Default; Remedies. If, during the continuance of this Lease or any extension or renewal hereof, one or more of the following events (each such event being herein called an "Event of Default") shall occur: (i) Default, and continuance thereof for ten (10) days, in the payment of any rent or other amount hereunder; (ii) Any obligation of Lessee or any material subsidiary of Lessee for borrowed money or payment of rent (other than any such obligation of any such subsidiary to Lessee or any other subsidiary) becomes or is declared

Equipment described in such Certificate of Acceptance as being included therein and covered thereby to the full extent of the amounts herein required and shall name Lessor as an additional insured party thereunder with respect to such Units of Equipment. All such policies shall contain an agreement by the insurers that such policies shall not be cancelled without at least thirty (30) days' (if insurance industry practice so allows) prior written notice to Lessor.

§9. REPORTS AND INSPECTION

On or before April 30 in each year, commencing with the calendar year 1981, Lessee will furnish to Lessor an accurate statement: (i) setting forth as at the preceding December 31 the amount, description and numbers of all Units of Equipment then leased hereunder, the amount, description and numbers of all Units of Equipment that have suffered a Casualty Occurrence during the preceding calendar year or are then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs (other than running repairs) and such other information regarding the condition and state of repair of the Equipment as Lessor may reasonably request; (ii) stating that, in the case of all Units of Equipment repainted or repaired during the period covered by such statement, the numbers and markings required by §6 hereof and by the PRA have been preserved or replaced; and (iii) setting forth a description of the insurance in effect with respect to the Equipment pursuant to §8 hereof and stating that such insurance insures the Equipment in amounts (subject to customary deductibles) and against risks customarily insured against by railroad companies in respect of similar equipment, and, in any event, comparable in amounts and against risks customarily insured against by Lessee in respect of similar equipment owned by it. Lessor, at its sole cost and expense, shall have the right by its agents, to inspect the Equipment and Lessee's records with respect thereto at such reasonable times as Lessor may request during the continuance of this Lease. Lessee shall promptly notify Lessor of any material changes of which Lessee has knowledge in its insurance coverage in effect with respect to the Equipment pursuant to §8 hereof.

§10. TAXES.

Lessee agrees to pay and discharge (and does hereby agree to indemnify and hold Lessor harmless from and against) all

to be due and payable prior to its express maturity by reason of default by Lessee or any such subsidiary in the performance or observation of any obligation or condition; (iii) Default in the performance of any of Lessee's agreements herein set forth (and not constituting an event of default under either of the preceding clauses of this §11.1 and continuance of such default for thirty (30) days after notice thereof from Lessor to Lessee; (iv) Any representation or warranty made by Lessee in this Lease is untrue in any material respect, or any statement, report, schedule, notice or other writing furnished by Lessee to Lessor in connection herewith is untrue in any material respect on the date as of which the facts set forth are stated or certified; or (v) Lessee or any subsidiary of Lessee becomes insolvent or admits in writing its inability to pay its debts as they mature, or applies for, consents to or acquiesces in the appointment of a trustee or a receiver for Lessee or any such subsidiary of any property of either thereof; or, in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for Lessee or any such subsidiary, or for a substantial part of the property of any thereof, and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding is instituted by or against Lessee or any material subsidiary of Lessee, and, if instituted against Lessee or any material subsidiary of Lessee is consented to or acquiesced in by Lessee or any material subsidiary of Lessee or remains for sixty (60) days undismissed.

Upon the happening of an Event of Default, Lessor shall (except to the extent otherwise required by law) be entitled to:

(i) Proceed by appropriate court action or actions to enforce performance by Lessee of the applicable covenants and terms of this Lease or to recover damages for the breach thereof;

(ii) Repossess any or all Units of Equipment without prejudice to any remedy or claim hereinafter referred to;

(iii) Elect to sell any or all Units of Equipment, after giving fifteen (15) days' notice to Lessee, at one or more public or private sales and recover from Lessee as liquidated damages for Lessee's default hereunder an amount equal to the amount, if any, by which

(A) the sum of: (1) the aggregate Casualty Value of such Units of Equipment on the date such notice is given; (2) all rent owing hereunder to and including the rent payment date immediately following the date such notice is given; (3) all costs and expenses incurred in searching for, taking, removing, keeping, storing, repairing, restoring, and selling such Units of Equipment; (4) all other amounts owing by Lessee hereunder, whether as additional rent, indemnification or otherwise; and (5) all costs and expenses, including (without limitation) reasonable legal fees and expenses, incurred by Lessor and a result of Lessee's default hereunder, exceeds (B) the amount received by Lessor upon such public or private sales of such Units of Equipment;

(iv) Upon notice to Lessee receive prompt payment from Lessee of an amount equal to the aggregate Casualty Value on the date such notice is given of all Units of Equipment which have not been sold by Lessor pursuant to clause (iii) above plus, to the extent not otherwise recovered from Lessee pursuant to said clause (iii) above: (1) any rent and other amounts owing hereunder to and including the rent payment date immediately following the date such notice is given; (2) all costs and expenses incurred in searching for taking, removing, keeping, storing, repairing and restoring such Units of Equipment; (3) all other amounts owing by Lessee hereunder whether as additional rent, indemnification or otherwise; and (4) all costs and expenses, including (without limitation) reasonable legal fees and expenses, incurred by Lessor as a result of Lessee's default hereunder; provided that upon receipt of payment in full of such amount, Lessor shall transfer to Lessee, without any representation or warranty of any kind, express or implied, whatever title to such units of Equipment it may have;

(v) By notice to Lessee, declare this Lease terminated without prejudice to Lessor's rights in respect of obligations then accrued and remaining unsatisfied; or

(vi) Avail itself of any other remedy or remedies provided for by any statute or otherwise available at law, in equity, or in bankruptcy or insolvency proceedings.

The remedies herein set forth or referred to shall be cumulative. The references to additional rent in clauses (iii) and

(iv) of this provision shall each include, without limitation, interest at the applicable rate specified in §4.4 hereof, to the date of receipt by Lessor of the amount payable under said clause, on installments of rent owing hereunder to and including the rent payment date immediately following the date on which notice is given under said clause, from the respective due dates of such installments, and such interest on all other costs, expenses and losses for which Lessor is entitled to payment under said clause from the respective dates incurred by Lessor.

11.2 Failure To Exercise Rights Is Not Waiver. The failure of Lessor to exercise the rights granted it hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation or recurrence of any such contingencies or similar contingencies.

11.3 Notice of Event of Default. Lessee shall furnish Lessor within 30 days of any responsible officer becoming aware of any condition which constituted or constitutes an Event of Default under this Lease or which, after notice or lapse of time, or both, would constitute such an Event of Default, and which is continuing on the date by which such written notice is due hereunder, written notice specifying such condition and the nature and status thereof. For the purposes of this §11.3, a "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of Lessee in this Lease contained, any corporate officer of Lessee who, in the normal performance of his operational responsibilities, would have knowledge of such matter and the requirements of this Lease with respect thereto.

§12. RETURN OF UNITS UPON DEFAULT

12.1 Return of Units. If this Lease shall terminate pursuant to §11 hereof Lessor may, upon such further notice, if any, as may be required for compliance with any mandatory legal requirements then in force and applicable to the action to be taken by Lessor, take or cause to be taken by its agent or agents, immediate possession of each of the Units of Equipment, or one or more of the Units of Equipment and may remove the same from possession and use of Lessee or any other person and for such purpose may enter upon the premises of Lessee or any other premises where the Equipment may be located and may

use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of Lessee, subject to all mandatory requirements of due process of law.

If this Lease shall terminate pursuant to §11 hereof, Lessee shall forthwith deliver possession of the Equipment to Lessor. Each Unit so delivered shall:

(i) be in the same operating order, repair and condition as when originally delivered to Lessee, ordinary wear and tear excepted; and (ii) meet all operating standards then in effect under the applicable rules of any governmental agency or other organization with jurisdiction, as well as all standards then in effect under the interchange rules of the Association of American Railroads, or such comparable standards as may then be in effect. For the purpose of delivering possession of any Unit or Units of Equipment to Lessor as above required, Lessee shall at its own cost, expense and risk: (A) forthwith and in the usual manner (including, but not by way of limitation, giving prompt telegraphic and written notice to the Association of American Railroads and all railroads to which any Unit or Units of Equipment have been interchanged or which may have possession thereof to return the Unit or Units of Equipment) and at the usual speed place such Units of Equipment upon such storage tracks of Lessee or any of its affiliates as Lessor reasonably may designate; (B) permit Lessor to store such Equipment on such tracks at the risk of Lessee without charge for insurance, rent or storage until such Equipment has been sold, leased or otherwise disposed of by Lessor; and (C) transport the same to any place on the lines of railroad operated by Lessee or any of its affiliates or to any connecting carrier for shipment, all as directed by Lessor.

The assembling, delivery, storage, insurance and transporting of the Units of Equipment as hereinbefore provided shall be at the expense and risk of Lessee and are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Equipment. During any storage period, Lessee will, at its own cost and expense, maintain and keep the Equipment in good order and repair and will permit Lessor or any

person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of any such Unit, to inspect the same. All amounts earned in respect of the Equipment after the date of termination of this Lease shall belong to Lessor and, if received by Lessee, shall be promptly turned over to Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, Lessee shall in addition, pay to Lessor for each day after such termination an amount equal to the amount, if any, by which the product of: (i) a fraction the numerator of which is the Penalty Rate (as defined in §4.4 hereof) and the denominator of which is 360; and (ii) the Lessor's Equipment Cost of such Unit for each such day exceeds the actual earnings received by Lessor on such Unit for each such day; such payment shall not affect the obligation of Lessee to redeliver the Equipment pursuant to the first sentence of this paragraph.

12.2 Lessor Appointed Agent of Lessee. Without in any way limiting the obligation of Lessee under the foregoing provisions of this §12, Lessee hereby irrevocably appoints Lessor as the agent and attorney of Lessee, with full power and authority, at any time while Lessee is obligated to deliver possession of any Unit to Lessor, to demand and take possession of such Unit in the name and on behalf of Lessee from whomsoever shall be in possession of such Unit at the time.

§13. RENEWAL OPTION

Lessee shall have an option to renew for two (2) additional terms of one (1) year each the lease term of all of the Units of Equipment then under lease provided no Event of Default or event which with notice or lapse of time or both would constitute an Event of Default has occurred and is then continuing immediately prior to the commencement of the renewal term being then elected by Lessee. If Lessee desires to exercise such option to renew, it shall give Lessor written notice of its election to renew at least ninety (90) days (and not more than one hundred eighty (180) days) prior to the commencement of the renewal term then being elected stating Lessee's opinion as to the fair market rental value for the Equipment to be leased during such renewal term, and upon the expiration of the then current term the lease of such Equipment shall be renewed from such renewal term at the fair market rental value as hereinafter provided. A determination shall be made of the

fair market rental value of the Equipment as of the date of the expiration of such current term. If Lessee and Lessor are unable to agree upon such fair market rental value within thirty (30) days after receipt by Lessor of such notice, such fair market rental value shall be determined by an independent appraiser selected by mutual agreement of Lessor and Lessee. The fee of such appraiser shall be paid by Lessee. All of the provisions of the Lease shall be applicable during any such renewal term except for the amount of each installment or rent which shall be as hereinabove provided. "Lease term" as used in the Lease shall, except where the context otherwise requires, be deemed to include any renewal terms.

§14. RETURN OF EQUIPMENT UPON EXPIRATION OF LEASE TERM

As soon as practicable on or after the expiration of the original term or any extended term of this Lease with respect to any Unit which Lessee does not re-lease pursuant to §13, Lessee will, at its own cost and expense, at the request of Lessor, deliver possession of such Unit to Lessor upon such storage tracks of Lessee as Lessee may reasonably designate, in such city on the lines of Lessee as Lessor may reasonably designate, or in the absence of Lessor's designation, in such city on the lines of Lessee as Lessee may designate, and permit Lessor to store such Unit on such tracks for a period not exceeding three months and transport the same, at any time within such three month period, to any reasonable place on the lines of railroad operated by Lessee, or to any connecting carrier for shipment, all as directed by Lessor, the movement and storage of each such Unit to be at the expense and risk of Lessee (including the insurance required by §8.7 hereof). During any such storage period Lessee will maintain each Unit as required by §8.1 hereof and will permit Lessor or any person designated by it, including the authorized representative or representatives of any prospective purchaser, lessee or user of such Unit, to inspect the same; provided, however, that Lessee shall not be liable, except in the case of negligence of Lessee or of its employees or agents, for any injury to, or the death of, any person exercising, either on behalf of Lessor or any prospective purchaser, lessee or user, the rights of inspection granted under this sentence. Each Unit returned to Lessor pursuant to this §14 shall: (i) be in the same operating order, repair and condition as when originally delivered to Lessee, ordinary wear and tear excepted; and

(ii) except for additions, modifications and improvements which Lessee is entitled to remove under the provisions of §7.2 of this Lease, meet all operating standards then in effect under the applicable rules of any governmental agency or other organization with jurisdiction, as well as all standards then in effect under the interchange rules of the Association of American Railroads or such comparable standards as may then be in effect. The assembling, delivery, storage and transporting of the Equipment as hereinbefore provided are of the essence of this Lease, and upon application to any court of equity having jurisdiction in the premises, Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Equipment. All amounts earned in respect of the Equipment after the date of termination of this Lease shall belong to Lessor and, if received by Lessee, shall be promptly turned over to Lessor. In the event any Unit is not assembled, delivered and stored, as hereinabove provided, within 60 days after such termination, Lessee shall, in addition, pay to Lessor for each day thereafter an amount equal to the amount, if any, by which the product of: (A) a fraction the numerator of which is the Penalty Rate (as defined in §4.4 hereof) and the denominator of which is 360; and (B) the Lessor's Equipment Cost of such Unit for each such day exceeds the actual earnings received by Lessor on such Unit for each such day.

§15. SUBLEASE, ASSIGNMENT,
MERGER, ETC. BY LESSEE.

15.1 So long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession and use of the Units of Equipment in accordance with the terms of this Lease, but, without the prior written consent of Lessor, Lessee shall not assign, transfer or sublet its leasehold interest under this Lease in any of the Equipment. Lessee shall not, without the prior written consent of Lessor, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment, except to the extent permitted by the provisions of Section 15.2 below.

15.2 So long as Lessee shall not be in default under this Lease, Lessee shall be entitled to the possession of the Equipment and to the use thereof upon the lines of railroad or upon the lines of any affiliate or upon lines of railroad over which Lessee has trackage or other operating

rights or over which railroad equipment of Lessee is regularly operated pursuant to contract, and also to permit the use of the Equipment upon other railroads in the usual interchange of traffic, if customary at the time, but only upon and subject to all the terms and conditions of this Lease. Lessee may receive and retain compensation for such use from other railroads using any of the Equipment. Lessee agrees that during the term of this Lease, Lessee will not use or permit the use of any Unit outside of the United States of America, except occasional use permitted in Canada as long as such use does not involve regular operation or maintenance outside the United States of America. No assignment, sublease or interchange entered into by Lessee hereunder shall relieve Lessee of any liability or obligations hereunder which shall be and remain those of a principal and not a surety.

15.3 Nothing in this Section 15 shall be deemed to restrict the right of Lessee to assign or transfer its leasehold interest under this Lease in the Equipment or possession of the Equipment to any corporation (which shall have expressly assumed in writing the due and punctual payment and performance of all obligations hereunder of Lessee) into or with which Lessee shall have become merged or consolidated or which shall have acquired the property of Lessee as an entirety or substantially as an entirety.

§16. ASSIGNMENT BY LESSOR

Lessor and any direct or remote assignee of any right, title or interest of Lessor hereunder shall have the right at any time or from time to time to assign part or all of its right, title and interest in and to this Lease. Without limiting the foregoing, Lessor and any such assignee shall have the right at any time or from time to time to transfer, subject to Lessee's rights under this Lease, any Unit or Units of Equipment.

Lessor may obtain financing through a financial institution and secure such financial institution ("Secured Party") by granting a security interest or other lien on any or all of the Equipment, this Lease and sums due under this Lease. In such event: (i) the security agreement or lien instrument will specifically provide that it is subject to Lessee's rights as herein provided; (ii) such assignment of this Lease

will not relieve Lessor from its obligations hereunder or be construed to be an assumption by Secured Party of such obligations (but Secured Party may perform, at its option, some or all of Lessor's obligations); (iii) upon request by Secured Party, Lessee will make all payments of rental and other amounts due hereunder directly to Secured Party; (iv) Lessee's obligations hereunder, including (without limitation) its obligation to pay rent and other amounts due hereunder, shall not be subject to any reduction, abatement, defense, setoff, counterclaim or recoupment for any reason whatsoever, which, however, shall not prevent Lessee from asserting any claim separately against Lessor; and (v) Lessee will not, after obtaining knowledge of any such assignment, consent to any modification of this Lease without the consent of Secured Party.

§17. RECORDING

Lessee, at its own expense, will cause this Lease to be filed with the Interstate Commerce Commission pursuant to 49 U.S.C. §11303. Lessee will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record (and will refile, reregister, deposit and redeposit or rerecord whenever required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to its satisfaction, of Lessor's interest in the Equipment or for the purpose of carrying out the intention of this Lease and Lessee will promptly furnish to Lessor evidence of all such filing, registering, depositing, recording and other acts which may be required under this §17, and an opinion or opinions of counsel for Lessee with respect thereto satisfactory to Lessor. This Lease shall be filed with the Interstate Commerce Commission prior to the delivery and acceptance hereunder of any Unit.

§18. INCOME TAX INDEMNIFICATION

18.1 Tax Assumptions. It is the intent of the parties to this Lease that it will be recognized as a lease for all Federal, state, city and local income taxes or franchise taxes imposed on or measured by net income, and that this Lease does not convey to Lessee any right, title or interest in the Equipment except as Lessee. In accordance with that intent, this

lease has been entered into on the assumptions (the "Tax Assumptions") that for United States income tax purposes (and to the extent applicable for state, city and local tax purposes):

(i) Lessor, as the owner of the Equipment will be entitled to such deductions, credits and other benefits as are provided by the Internal Revenue Code of 1954, as amended to the date hereof (the "Code"), to an owner of property, including, without limitation: (A) the maximum depreciation deduction on the Remanufactured Cost of each Unit of Equipment authorized under Section 167 of the Code (the "ADR Deduction"); (1) utilizing a 12-year depreciable life, which is the lower limit listed in Revenue Procedure 77-10, 1977-1 CB548 for property in Asset Guideline Class No. 00.25, as in effect at the remanufacture closing date, as defined in PRA, for such Unit, in accordance with the Class Life Asset Depreciation Range System described in Section 167(m) of the Code and the Treasury Regulations promulgated thereunder as in effect on the date hereof; (2) employing initially the 200% declining balance method of depreciation with a change, not requiring the consent of the Commissioner of Internal Revenue, to the sum of the years-digits method of depreciation when most beneficial to Lessor, as permitted by the Code and regulations as of the remanufactured closing date for such Unit; (3) including in the basis of each Unit the entire Remanufactured Cost; (4) depreciating to a net salvage value of zero after taking into account the reduction of salvage value permitted by Section 167(f) of the Code; and (5) utilizing the modified half-year convention as provided in Regulation Section 1.167(a)-11-(c)(2)(ii); (B) the maximum depreciation deduction on the Locomotive Acquisition Cost of each Unit: (1) utilizing the same 12-year life as described in subparagraph (A) (1) hereof; (2) employing initially the 150% declining balance method of depreciation provided in Section 167(b)(2) of the Code with a change, not requiring the consent of the Commissioner of Internal Revenue, to the straight-line method of depreciation provided in Section 167(b)(1) of the Code, (3) including in the basis of each Unit the entire Locomotive Acquisition Cost, depreciating to a net salvage value of zero as provided in subparagraph (A)(4) hereof, and (5) utilizing the modified half-year convention as provided in subparagraph (A)(5) hereof; and (C) the 10% investment credit with respect to not less than 100% of the Remanufactured Cost, as defined in the PRA, for each Unit of Equipment (the "Investment Credit"), pursuant to Section 38 and related sections of the Code; and

(ii) each Unit of Equipment will have a fair market value at the end of the original term of this Lease (such fair market value being determined without including in such value any increase or decrease for inflation or deflation during such original lease term and determined after subtracting from such value the cost, if any, for removal and redelivery of possession to Lessor at the end of such term) equal to at least 20% of Lessor's Equipment Cost for such Unit, and each Unit is estimated to have a remaining useful life at the end of the original term of this Lease equal to at least four years.

18.2 Basic Indemnity.

(i) Lessee represents, warrants and indemnifies that: (A) as of the remanufacture closing date, as defined in the PRA, for each Unit, such Unit will: (1) constitute property which qualifies for the 10% Investment Credit under Sections 38, 46, 48 and 50 of the Code on not less than the Remanufactured Cost for such Unit; (2) constitute "new Section 38 property," within the meaning of Sections 46 and 48 of the Code, of Lessor, and will not have been used by any person so as to preclude "the original use of such property" within the meaning of Sections 48(b) and 167(c) (2) of the Code from commencing with Lessor; and (3) Lessor will be entitled to and such Unit will qualify for the ADR Deduction using the Tax Assumption as to useful life and methods as set forth in A(1) and A(2) and B(1) and B(2) of §18.1 hereof; (B) Lessee will not at any time during the term of this Lease use or fail to use or permit the use of any Unit in such a way as to disqualify it as "Section 38 property" within the meaning of Section 48(a) of the Code or as property eligible for ADR Deduction; and (C) Lessee will maintain sufficient records to verify such use, which records will be furnished to Lessor within 30 days after receipt of a written demand therefor;

(ii) Lessee further warrants and agrees that neither it nor any corporation controlled by it, in control of it, or under common control with it, directly or indirectly, will at any time take any action (other than any action required by the terms of this Lease) or file any tax returns or other documents inconsistent with the foregoing or which would increase the amount of rentals required to be taken into income by Lessor over the amount specified to be payable under this Lease on the dates due hereunder except as specifically provided in this Lease,

and that each of such corporations will file such returns, take such action, and execute such documents as may be reasonable and necessary to facilitate accomplishment of the intent thereof. Lessee agrees to keep and make available for inspection and copying upon demand by Lessor such records as will enable Lessor to determine the extent to which it is entitled to the full benefit of the ADR Deduction and the Investment Credit with respect to the Equipment. For purposes of this §18.2(2) it is assumed that Lessor shall claim in its tax returns all the deductions, credits and benefits contemplated by the Tax Assumptions.

18.3 Effect of Indemnities.

(i) Lessee's indemnification of Lessor under §18.2 hereof will place Lessor in the same position with respect to the transaction as if the condition indemnified against had not existed. If (except as a result of the occurrence of any Excluded Event set forth below) Lessor shall suffer a disallowance of or shall be required to recapture or shall not have or shall lose the right to claim (any such event being hereinafter called a "Loss"), of all or any portion of the Investment Credit or the ADR Deduction (a "Benefit") with respect to all or part of any Unit due to:

(A) the inaccuracy of any statement in any letter or document furnished to Lessor by Lessee (or any officer, agent or employee thereof);

(B) the noncompliance, breach, or misrepresentation by Lessee with or of any provision of §18.2 hereof;

(C) the use of any Unit by Lessee in such a way as to disqualify it as Section 38 property within the meaning of Section 48(a) of the Code or as property eligible for the ADR Deduction; or

(D) any actions or omissions by Lessee, except any actions or omissions permitted by the terms of this Lease.

Then in any such case of Loss of Benefit, subject to the provisions of §18.3(iv) hereof dealing with contesting a disallowance or recapture of a Tax Benefit, the rental rate applicable to such Unit set forth in §4 of this Lease payment of the tax attributable to any Loss of Benefit under the provisions of this paragraph, be increased by such amount for such Unit as, in the reasonable opinion of Lessor,

after due consultation with Lessee, will preserve for Lessor the after-tax rate of return and after-tax cash flow (the "Net Return") that would have been realized by Lessor if such Loss had not occurred in respect of such Unit under this Lease. Lessee shall forthwith pay to Lessor the amount of any interest and penalty which may be assessed by the United States (or where applicable by any state or local taxing jurisdiction) against Lessor attributable to the Loss.

(ii) Notwithstanding the provisions of §18.3(i) hereof, there shall be no increase made in rentals nor shall any payment be required to be made by Lessee if Lessor shall have suffered such Loss with respect to all or part of such Unit as a result of the occurrence of any of the following events ("Excluded Events"):

(A) a Casualty Occurrence with respect to such Unit, if Lessee shall have paid to Lessor the amounts stipulated under §8 hereof; or

(B) a voluntary transfer or other voluntary disposition by Lessor or any transfer or disposition by Lessor resulting from bankruptcy or other proceedings for relief of debtors in which Lessor is the debtor, whether voluntary or involuntary, of any interest in such Unit or the voluntary reduction by Lessor of its interest in the rentals from such Unit under this Lease (other than pursuant to the assignment of this Lease to a financial institution); unless, in each case, an Event of Default shall have occurred and be continuing; or

(C) the failure of Lessor to claim in a timely and proper manner (including all appropriate elections) in its Federal income tax return the Investment Credit or the ADR Deduction; or

(D) the failure of Lessor to have sufficient liability for Federal income tax against which to credit such Investment Credit or sufficient income to benefit from the ADR Deduction, as applicable; or

(E) any amendments to the Code, IRS Regulations and tax rules enacted or promulgated and effective after the date on which Lessor becomes the owner of each Unit; or

(F) any participation in the residual value of any Unit at the expiration of the original term of this Lease by any party other than Lessor.

(iii) Lessor shall promptly, upon its knowledge thereof, give written notice to Lessee of any claim or preceeding in respect of which Lessee would be required to make indemnification payments under the provisions of this §18. Lessor agrees that if, in the opinion of independent tax counsel selected by Lessor and approved by Lessee, such approval not to be unreasonably withheld by Lessee ("Counsel"), a reasonable basis to contest the disallowance or recapture of all or a portion of the tax Benefits described above with respect to any Unit exists in respect of which Lessee would be required to make indemnification payments under the provisions of this §18 to Lessor pursuant hereto, Lessor shall, upon written request and at the expense of Lessee, take all such legal or other appropriate action deemed reasonable by Counsel in order to contest such claim, and if Lessor fails to contest, Lessee will not be required to indemnify Lessor for the Loss of tax Benefits as set forth in §18.3(i) hereof; provided, however, that Lessor shall not be obligated to take any such legal or other appropriate action unless Lessee shall first have indemnified Lessor for all expenses which may be entailed therein. If within 30 days after notice from Lessor Lessee does not request that Lessor contest the disallowance or recapture of the tax Benefits or in the opinion of Counsel no reasonable basis to contest such matter exists, then Lessee will have no further right of contest;

(iv) In the event Lessee requests that Lessor contest the disallowance or recapture of the tax Benefits and in the opinion of Counsel a reasonable basis to contest such matter exists, then Lessor shall either take such action to contest the disallowance or recapture prior to making payment of any tax and interest and/or penalty attributable to the disallowance or recapture with respect to Lessor of all or any portion of the Tax Benefits with respect to any Unit or shall make such tax payment (the "Tax Payment") and thereafter seek a refund. If Lessor contests prior to making such Tax Payment, such indemnification payable hereunder need not be paid by Lessee while such action is pending. In such case, if the Final Determination (as hereinafter defined) shall be adverse to Lessor, the indemnification payable hereunder shall be computed by shall commence payment of indemnities on the date and in the manner and to the extent provided in §18.3(i) hereof, and on

or before such payment date, Lessee shall pay to Lessor as an additional payment hereunder an amount equal to all interest and penalty paid by Lessor in respect of such Final Determination together with an amount sufficient to maintain Lessor's Net Return. If, preliminary to a suit for refund, Lessor elects to make such Tax Payment, Lessee shall immediately reimburse Lessor in full the amount of such Tax Payment but no adjustment shall be made to the rentals due hereunder while such action is pending. In such case, if the Final Determination shall be adverse to Lessor, the indemnification payable hereunder shall be computed by Lessor as of the date of such Final Determination and Lessee shall commence payment of indemnities on the date and in the manner and to the extent provided in §18.3(i) hereof. If Lessor seeks a refund after making such Tax Payment and the Final Determination shall be in favor of Lessor, Lessor shall forthwith upon receipt of refund of amounts previously paid, pay to Lessee an amount consisting of such refund, including any interest received.

In addition, the rentals for the Equipment shall, beginning with the next rental payment due, and after receipt by Lessor of such refund, be decreased to such amount or amounts as shall, in the reasonable opinion of Lessor, cause Lessor's Net Return to equal the net return that would have been realized by Lessor if additional income taxes of Owner in the amount refunded had not been paid. Lessee agrees to pay to Lessor on demand any reasonable expense incurred by Lessor in connection with such contest. For purposes of this §18 "Final Determination" is defined as a final decision or opinion of a court of competent jurisdiction which, in the opinion of Counsel and after taking into consideration the liabilities created thereby, presents no reasonable basis on which to appeal;

(v) Lessee's and Lessor's agreements and obligations to pay any sums which may become payable pursuant to this §18 shall survive the expiration or other termination of this Lease. For purposes of this §18, the term "Lessor" shall include any affiliated group, within the meaning of Section 1504 of the Code, of which Lessor is a member if consolidated returns are filed for such affiliated group for Federal income tax purposes;

(vi) In the event the rental rates shall be increased (or decreased) as hereinbefore provided, the Casualty Values set

forth in §8 hereof shall be adjusted accordingly;

(vii) If any amendment to the Code, IRS Regulations or tax rules is enacted or promulgated and made effective with respect to any Unit prior to the time Lessor becomes the owner of such Unit, and such amendment causes a change in the tax benefits contemplated by Lessor, then the rental rate specified in §4 of this Lease (and the Casualty Value percentages set forth in Schedule 2 hereto) shall be increased or decreased as necessary so as to preserve Lessor's Net Return at the same level as if such tax benefits had not been changed.

(viii) Lessor shall furnish Lessee with a statement from the head of its tax department indicating the total amount for which it is entitled to be indemnified hereunder, and further indicating that such amount is to the best of his knowledge and belief properly calculated.

18.4 Alterations, Modifications and Improvements.

In the event and to the extent that Lessor is required to include in its gross income for Federal income tax purposes the value of any addition, modification or improvement to the Equipment or any Unit of Equipment made by Lessee, under and pursuant to the terms of this Lease or otherwise (all such additions, modifications or improvements described in this sentence being hereinafter called "Alterations"), Lessee shall pay to Lessor on each of the dates provided in this Lease for payment of the installment of rental hereunder commencing with the first such date following the date on which Lessee is required to furnish written notice of such inclusion to Lessor pursuant to the following paragraph such additional rentals which, after deduction of all taxes required to be paid by Lessor on the receipt thereof under the laws of the United States of America or any political subdivision thereof and after taking into account any present or future tax benefits that Lessor reasonably anticipates it will derive from its additional investment in the Equipment (including, without limitation, any available current deduction, current and future depreciation deductions and investment tax credit), when taken together with the amount of any rental installments due on such dates under this Lease (but with appropriate adjustment on any such date for any such rental installment which for any reason shall not in fact be paid by Lessee), will, in the reasonable opinion of Lessor, cause Lessor's Net Return to equal the Net Return that would

cause Lessor's Net Return to equal the Net Return that would have been realized by Lessor if the value of any such Alteration had not been includible in Lessor's gross income. The Casualty Values payable with respect to the Equipment shall be adjusted in amounts calculated in a similar such manner by Lessor;

§19. LESSEE'S ADDITIONAL WARRANTIES AND REPRESENTATIONS

Lessee represents and warrants that:

(i) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Delaware;

(ii) Lessee is duly authorized to execute and deliver the PRA and this Lease, and is and will continue to be duly authorized to lease the Equipment hereunder and to perform its obligations hereunder and under the PRA;

(iii) The execution and delivery of the bills of sale by the owners of the locomotives under the PRA, and the execution and delivery of the PRA and this Lease by Lessee, and the performance by Lessee of its obligations hereunder and thereunder, do not and will not conflict with any provision of law (including without limitation the provisions of 15 U.S.C. §20) or of the charter or by-laws of Lessee or of any indenture, mortgage, deed of trust or agreement or instrument binding upon Lessee or to which Lessee is a party;

(iv) The execution, delivery and performance of the bills of sale by the owners of the locomotives and the PRA and this Lease by Lessee, and the consummation by Lessee of the transactions contemplated hereby and thereby do not and will not require the consent, approval or authorization of, or notice to, any Federal or state governmental authority or public regulatory body;

(v) Lessee's financial statement as at March 31, 1980, a copy of which has been furnished to Lessor, has been prepared in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission (the "ICC") applied on a basis consistent with that of the preceding fiscal year and presents fairly the financial condition of Lessee as at the date thereof, and the results of its operations for the period then ended, and since such date there has been no material adverse change in its financial condition;

(vi) The PRA and this Lease are legal, valid and binding obligations enforceable in accordance with their respective terms;

(vii) There are no pending or threatened actions or proceedings before any court or administrative agency which will to a material extent adversely affect the financial condition or continued operation of Lessee and its subsidiaries on a consolidated basis (except as previously disclosed in writing by Lessee to Lessor);

(viii) The fair market value of the reusable component parts included in each used locomotive to be purchased by Lessor under the PRA and the bills of sale is not in excess of the Locomotives Acquisition Cost for each such locomotive and the fair market value of each Unit after the remanufacture thereof shall be at least equal to the total of the Locomotives Acquisition Cost plus Remanufactured Cost for such Unit;

(ix) Upon the purchase by the Lessor of the used locomotives pursuant to the PRA, no mortgage, deed of trust, indenture, lease or other lien or security interest of any nature whatsoever which now covers or affects any property or interest will attach or thereafter will attach to the Equipment or in any manner affects or will affect adversely Lessor's right, title and interest therein, provided, that this representation and warranty shall not be considered breached by any lien attaching to the leasehold interest of Lessee under this Lease by reason of any existing or future mortgage to which Lessee is a party covering substantially all of Lessee's railroad property.

§20. CONDITIONS TO LESSOR'S OBLIGATIONS.

20.1 Lessor shall not be obligated to make payment of the Remanufacture Costs for any Unit of Equipment under the PRA and lease such Unit to Lessee under this Lease unless:

(i) All of Lessee's representations and warranties in Section 19 of this Lease and all other representations and warranties made herein and in the PRA shall be true and correct as though made as of the remanufacture closing date, as defined in the PRA, applicable to such Unit or Units of Equipment;

(ii) No litigation or governmental proceedings shall be threatened or pending against Lessee or any material subsidiary of Lessee which in Lessor's reasonable opinion will to a material extent adversely affect the financial condition or continued operation of Lessee and its subsidiaries on a consolidated basis as of the remanufacture closing date, as defined in the PRA, applicable to such Unit or Units of Equipment;;

(iii) No Event of Default, or event which with notice or lapse of time or both will constitute an Event of Default, shall have occurred or be continuing hereunder as the remanufacture closing date, as defined in the PRA, applicable to such Unit or Units of Equipment:

(iv) Lessee shall have furnished to Lessor, in form and substance satisfactory to Lessor, the following on or prior to the first remanufactured closing date, as defined in the PRA, for any Unit:

(A) Resolutions of the Board of Directors of Lessee, certified by its Secretary or an Assistant Secretary, authorizing the lease of such Equipment hereunder, the execution, delivery and performance by Lessee of the PRA and this Lease, and the execution and delivery of the Certificates of Acceptance required under the PRA and this Lease, designating the title of the officers of Lessee authorized to execute and deliver the Certificates of Acceptance;

(B) A favorable opinion of counsel for Lessee, acceptable to Lessor, to the effect that:

(1) Lessee is a corporation duly organized and existing in good standing under the laws of the State of Delaware;

(2) Lessee is duly authorized to execute and deliver the PRA, the bills of sale, the Certificates of Acceptance and this Lease and is duly authorized to lease the Equipment hereunder and to perform its obligations hereunder and thereunder;

(3) The execution and delivery of the PRA, the bills of sale, the Certificates of Acceptance and this Lease and the performance by Lessee and

the owners of the used Locomotives of their obligations hereunder and thereunder do not and will not conflict with any provision of law (including without limitation the provisions of 15 U.S.C. §20) or of the charter or by-laws of Lessee or of any indenture, mortgage, deed of trust or agreement or instrument binding upon Lessee or to which Lessee is a party;

(4) The execution, delivery and performance of the PRA, the bills of sale, and the Certificates of Acceptance and this Lease and the consummation by Lessee of the transaction contemplated hereby and thereby does not require the consent, approval or authorization of, or notice to, and Federal or state governmental authority or public regulatory body;

(5) The PRA, the bills of sale, the Certificates of Acceptance and this Lease are legal, valid, and binding obligations enforceable in accordance with their respective terms (except as may be affected by bankruptcy, reorganization, insolvency and similar laws affecting the rights of creditors generally);

(6) There are to the knowledge of such counsel no pending or threatened actions or proceedings before any court or administrative agency which will, in the opinion of such counsel, to a material extent adversely affect the financial condition or continued operation of Lessee and its subsidiaries on a consolidated basis;

(7) Uniform Commercial Code financing statements have been executed and filed as required under the laws of Illinois, this Lease has been duly filed and recorded with the ICC pursuant to Section 11303(a) of the Revised Interstate Commerce Act, and such filings and recordings will protect Lessor's interests in and to the Units of Equipment, and no further filing or recording (or giving of notice) with any other federal, state or local government is necessary in order to protect the interests of Lessor in and to the Equipment;

(C) An appraisal certificate issued by Mr. Alexander Kerr, an independent appraiser, to the effect that:

(1) the fair market value of the reusable component parts included in each of the used locomotives purchased by Lessor under the PRA does not exceed the Locomotives Acquisition Cost for each such locomotive;

(2) the fair market value of the Equipment upon completion of their remanufacturer under the PRA was at least equal to the following:

<u>Type of Locomotive</u>	<u>Fair Market Value Upon Completion of Remanufacture</u>
Two (2) Model GP-11 Locomotives	\$ 932,000
Ten (10) Model SW-14 Locomotives	\$3,980,000

(3) each Unit of Equipment on the date of delivery thereof to Lessor upon completion of their remanufacture under the PRA will have an estimated useful life of at least four (4) years beyond the expiration of the Lease Term (excluding any renewal terms) for the Equipment under this Lease and an estimated fair market value at the end of such term of at least twenty percent (20%) of Lessor's Cost of Equipment for such Unit, without including in such fair market value any increase or decrease for inflation or deflation during such term of the Lease; and

(4) setting forth the manner in which such fair market value and useful life were determined.

(D) Original or true and accurate copies of policies, certificates or riders of insurance required by §8.7 hereof.

(v) Lessee shall have furnished to Lessor, in form and substance satisfactory to Lessor, the following on or prior to the remanufactured closing date, as defined in the PRA applicable to such Unit or Units of Equipment:

(A) An invoice covering the Unit or Units of Equipment;

(B) A Certificate of Acceptance signed by an officer of Lessee (as the authorized representative of

Lessor hereunder and under the PRA) confirming delivery to, and acceptance by, Lessor under the PRA and the Lessee under this Lease of such Unit or Units of Equipment;

(C) An opinion of Lessee's counsel, satisfactory to Lessor, that acceptance by Lessor of such Unit or Units of Equipment and payment therefor by Lessor shall be effective to transfer to Lessor good title to such Units of Equipment, free of all claims, liens or encumbrances of any nature; and

(D) Such other releases, financing statements, waivers and other documents as Lessor may reasonably request to insure that the Equipment will not be subject to any lien, charge, encumbrance, security interest or other similar interest.

20.2 Notwithstanding any other provision contained in this Lease or in the PRA, Lessor shall not be obligated to make payment of the Remanufactured Costs for any Unit under the PRA and lease such Unit to Lessee under this Lease if on or prior to the remanufactured closing date, as defined in the PRA, for such Unit there shall have been: (i) an amendment to the Code which changes the federal income tax rate of Lessor from 46%; or (ii) any amendment, modification, addition or change made in or to the provision of the Code, the Treasury Regulations under the Code (including the Treasury Regulations relating to the Asset Depreciation Range System of depreciation under Section 167(m) of the Code), published Internal Revenue Service Revenue Procedures, Revenue Rulings or other administrative interpretations, or applicable judicial precedents (all of the foregoing amendments, modifications, additions or changes referred to in this clause (ii) being hereinafter collectively referred to as a "Change in Tax Law"), which Change in Tax Law in the opinion of Lessor or in the opinion of its counsel might preclude Lessor from realizing the Tax Assumptions as defined in §18.1 hereof.

§21. NOTICES

Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when delivered, telexed or mailed, first class, postage prepaid, addressed as follows:

(a) if to Lessor: Wickes Equipment Leasing, Inc.
1010 Second Avenue
San Diego, CA 92101
Attention of President

(b) if to Lessee: Illinois Central Gulf Railroad Co.
233 North Michigan Avenue
Chicago, Illinois 60601
Attention of the Treasurer

or addressed to either party at such other address as such party shall hereafter furnish to the other party in writing.

§22. MISCELLANEOUS

22.1 Severability. Any provision of this Lease which is prohibited or unenforceable in any jurisdiction, shall be, as to such jurisdiction, ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

22.2 Effect and Modification of Lease. This Lease exclusively and completely states the rights of Lessor and Lessee with respect to the leasing of the Equipment and supersedes all other agreements, oral or written, with respect thereto. No variation or modification of this Lease and no waiver of any of its provisions or conditions shall be valid unless in writing and signed by duly authorized signatories for Lessor and Lessee.

22.3 Third Party Beneficiaries. Nothing in this Lease shall be deemed to create any right in any person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of a third party except as aforesaid.

22.4 Lessor's Right to Perform for Lessee. If Lessee fails to perform or comply with any of its agreements contained herein, Lessor may, upon notice to Lessee, itself perform or comply with such agreement, and the amount of the reasonable cost and expenses of Lessor incurred in connection with such performance or compliance, together with interest on such

amount at the Penalty Rate (or such lesser amount as may be legally enforceable) shall be payable by Lessee upon demand. No such performance or compliance by Lessor shall be deemed a waiver of the rights and remedies of Lessor against Lessee hereunder or be deemed to cure a default by Lessee hereunder.

§23. EXECUTION

This Lease may be executed in several counterparts, such counterparts together constituting but one and the same instrument. Although for convenience this Lease is dated as of the date first set forth above, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

§24. LAW GOVERNING

The terms of this Lease and all rights and obligations hereunder shall be governed by the laws of the State of Illinois; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. §11303.

IN WITNESS WHEREOF, the parties hereto have executed or caused this instrument to be executed as of the date first above written.

ILLINOIS CENTRAL GULF
RAILROAD COMPANY

[Corporate Seal]

By: *J. E. Konler*
Title: *Vice President*

Attest:

W. H. Sanders
Asst. Secretary

WICKES EQUIPMENT LEASING, INC.

[Corporate Seal]

By: *[Signature]*
Title: *President* YRP

Attest:

[Signature]
Asst. Secretary

STATE OF ILLINOIS)
) ss.:
COUNTY OF COOK)

On this 9th day of June 1980, before me personally appeared L. E. Conner, to me personally known, who, being by me duly sworn, says that he is Vice President of ILLINOIS CENTRAL GULF RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Virginia M. Shaver
Notary Public

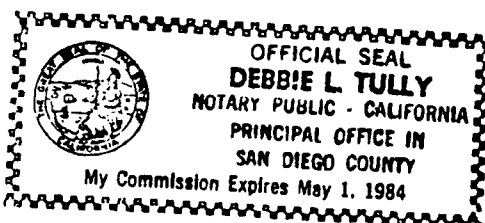
My Commission expires May 4, 1984

STATE OF CALIFORNIA))
COUNTY OF SAN DIEGO) ss.:

On this 6th day of June 1980, before me personally appeared J. F. Rice, to me personally known, who, being by me duly sworn says that he is the President of WICKES EQUIPMENT LEASING, INC., that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Debbie L. Tully
Notary Public

My Commission expires



SCHEDULE 1 TO LEASE

<u>Type</u>	<u>Quantity</u>	<u>Locomotive Acquisition Price</u>	<u>Remanufacture Cost</u>	<u>Lessor's Cost of Equipment</u>	<u>Road Numbers</u>	<u>Estimated Delivery</u>
GP-11	2	\$ 112,000	\$ 820,000	\$ 932,000	ICG 8739- 8740	June-July 1980
SW-14	10	400,000	3,580,000	3,980,000	ICG 1429- 1438	
		<hr/>	<hr/>	<hr/>		
		\$ 512,000	\$4,400,000	\$4,912,000		

SCHEDULE 2 TO LEASE

CASUALTY VALUES

<u>Casualty Payment Dates</u>	<u>Percentage of Lessor's Equipment Cost</u>
(Acceptance to Interim Rent Date)	
10/31/80	101.3677107
1/31/81	102.3385271
4/30/81	103.0275945
7/31/81	103.6495524
10/31/81	104.2039155
1/31/82	104.6884847
4/30/82	105.1015755
7/31/82	105.4481627
10/31/82	105.7351305
1/31/83	105.9567950
4/30/83	106.1115799
7/31/83	106.1983214
10/31/83	100.2474355
1/31/84	100.2133047
4/30/84	100.1131909
7/31/84	99.9435093
10/31/84	99.7205057
1/31/85	99.4339303
4/30/85	99.0822487
7/31/85	98.6593053
10/31/85	92.2045527
1/31/86	91.6679568
4/30/86	91.0668132
7/31/86	90.3925457
10/31/86	89.6699544
1/31/87	88.8845901
4/30/87	88.0349376
7/31/87	87.1103221
10/31/87	80.1585259
1/31/88	79.1254169
4/30/88	78.0283039
7/31/88	76.8544141
10/31/88	75.6368782
1/31/89	74.3571508
4/30/89	73.0137306

Casualty Payment Dates

Percentage of Lessor's
Equipment Cost

(Acceptance to Interim
Rent Date)

7/31/89	71.5917477
10/31/89	70.1284991
1/31/90	68.6033921
4/30/90	67.0149335
7/31/90	65.3461569
10/31/90	63.6385265
1/31/91	61.8694028
4/30/91	60.0373017
7/31/91	58.1231609
10/31/91	56.1726126
1/31/92	54.1609717
4/30/92	52.0867636
7/31/92	49.9303628
10/31/92	47.7431570
1/31/93	45.4977168
4/30/93	43.1926365
7/31/93	40.8034020
10/31/93	38.3850080
1/31/94	35.9082377
4/30/94	33.3716819
7/31/94	30.7453844
10/31/94	28.0842051
1/31/95	25.3587890
4/30/95	22.5675855
7/31/95	19.7337520
Thereafter	20.0000000

SCHEDULE 3 TO LEASE

Liability Coverage provides Bodily Injury, Property Damage, Federal Employers Liability Act, including Liability.

Blanket Fire Coverage provides coverage for fire, lightning and extended coverage including collision and overturn and derailment of diesels.

EXHIBIT D

RAILROAD EQUIPMENT PURCHASE AND LEASE ASSIGNMENT AGREEMENT
WICKES COMPANIES, INC. AND BARCLAYSAMERICAN/LEASING, INC.

CONSENT, ACKNOWLEDGEMENT AND OFFICER'S CERTIFICATION

The undersigned officer of Illinois Central Railroad Company ("IC"), (successor in interest to Illinois Central Gulf Railroad) which is lessee of twelve (12) locomotives more fully described on the attached Schedule 1 (the "Equipment") pursuant to a Lease of Railroad Equipment dated as of May 1, 1980 (the "Lease") with Wickes Equipment Leasing, Inc., predecessor of Wickes Companies, Inc. ("Wickes"), a Delaware corporation, hereby certifies to BarclaysAmerican/Leasing, Inc. ("Barclays"), as follows:

(i) IC hereby consents to the purchase of Equipment by Barclays and the assignment of the Lease to Barclays;

(ii) There has been no modification or amendment of the Lease;

(iii) All of IC's representations and warranties in the Lease are true and correct as though made as of this date;

(iv) No litigation or governmental proceedings are threatened or pending against IC or any material subsidiary of IC which will, to a material extent, adversely affect the financial condition or continued operation of IC and its subsidiaries on a consolidated basis, except as otherwise disclosed in Securities and Exchange Commission filings;

(v) No event of default, or event which with notice or lapse of time or both might constitute an event of default with respect to IC, has occurred under the Lease or is continuing thereunder; and to the best knowledge of IC, Wickes is not in default under the Lease.

(vi) All Equipment is in good condition, normal wear and tear excepted, and has been strictly maintained in accordance with Lease terms and conditions, and all insurance required by the Lease has been continuously maintained and is in full force and effect and IC will deliver to Barclays certificates of insurance with Barclays as loss payee/additional insured, whichever is appropriate;

(vii) Lessee has not subleased or assigned Equipment, and has not previously, nor will it, place any lien or encumbrance whatsoever upon Equipment;

(viii) Lessee consents to a correction to the following typographical error in the Lease. Section 18.3 (iv) Effective Indemnities, page 28, shall now read:

". . . In such case, if the Final Determination (as hereinafter defined) shall be adverse to Lessor, the indemnification payable hereunder shall be computed by Lessor as of the date of such Final Determination and Lessee. . ." [Emphasis added.]

(ix) All rents and other sums owed to Lessor under the Lease will be paid directly to Barclays, as owner and Lessor of the Equipment, beginning September 29, 1989. Basic quarterly rent payments will be payable by IC to Barclays beginning on October 31, 1989 and ending July 31, 1995; each in the amount of \$169,950.29. Payments will be made by wire transfer to Barclays' account number 25317 3687-0340-7003665 at Barclays Bank of North Carolina at 201 South Tryon Street, Charlotte, North Carolina, and shall be paid quarterly on January 31, April 30, July 31, and October 31 of each year.

(x) IC will cooperate with Barclays in complying with all terms and conditions of the Lease, including, but not limited to, any requirements pertaining to properly identifying the Equipment as property of Barclays.

(xi) Attached hereto is a copy, duly certified, of resolutions of IC's Board of Directors adopted at its meeting on June 11, 1980, pursuant to the Lease.

ILLINOIS CENTRAL RAILROAD COMPANY

By: _____

Its: _____

5304L

STATE OF ILLINOIS

COUNTY OF _____

I, _____, do hereby certify that _____, personally known to me to be the _____ President of Illinois Central Railroad Company, a _____ corporation, and _____, personally known to me to be the _____ Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such _____ President and _____ Secretary, they signed and delivered the said instrument as _____ President and _____ Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth. Given under my hand and seal, this _____ day of _____, 1989.

Notary Public

My Commission Expires: _____

SCHEDULE 1

TO CONSENT, ACKNOWLEDGEMENT
AND OFFICER'S CERTIFICATION

Description of Railroad Locomotives

<u>EQUIPMENT</u>	<u>TYPE</u>	<u>ICC REGISTRATION NO.</u>
1. GP-11	Switching Locomotive	ICG 8739
2. GP-11	Switching Locomotive	ICG 8740
3. SW-14	Switching Locomotive	ICG 1429
4. SW-14	Switching Locomotive	ICG 1430
5. SW-14	Switching Locomotive	ICG 1431
6. SW-14	Switching Locomotive	ICG 1432
7. SW-14	Switching Locomotive	ICG 1433
8. SW-14	Switching Locomotive	ICG 1434
9. SW-14	Switching Locomotive	ICG 1435
10. SW-14	Switching Locomotive	ICG 1436
11. SW-14	Switching Locomotive	ICG 1437
12. SW-14	Switching Locomotive	ICG 1438

ILLINOIS CENTRAL RAILROAD

By: _____

Its: _____

Secretary

[Corporate Seal]

RELEASE

Illinois Central Railroad Company ("IC") (successor in interest to Illinois Central Gulf Railroad) hereby releases and discharges Wickes Companies, Inc. ("Wickes"), successor in interest to Wickes Equipment Leasing, Inc., from all obligations under the lease agreement between IC and Wickes dated May 1, 1980 ("Lease") except for those obligations which occurred, or arise out of or are attributable to events which occurred prior to September 29, 1989 ("Presale Events"). With regard to Presale Events, Wickes shall have all the rights and remedies that may be available to it in its capacity as lessor under the Lease.

ILLINOIS CENTRAL RAILROAD COMPANY

ATTEST:

By: _____

Its: _____

Secretary

[Corporate Seal]

STATE OF _____

COUNTY OF _____

I, _____, a Notary Public for said County and State aforesaid, hereby certify that _____, personally came before me this day and acknowledged that he is _____ Secretary of Illinois Central Railroad Company, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its _____ President, sealed with its corporate seal, and attested by _____ self as its _____ Secretary.

WITNESS my hand and official seal, this _____ day of _____, 19____.

Notary Public

My commission expires: _____